## LEGISLATIVE COUNCIL

Wednesday 21 February 1990

**The PRESIDENT (Hon. G.L. Bruce)** took the Chair at 2.15 p.m. and read prayers.

## QUESTIONS

### WEST BEACH TRUST

**The Hon. K.T. GRIFFIN:** I seek leave to make a brief explanation before asking the Minister of Tourism a question about the West Beach Trust and Marineland.

Leave granted.

**The Hon. K.T. GRIFFIN:** In a confidential memorandum dated 26 January 1989 from the Deputy Director of State Development, Ms Sandra Eccles, to the Minister of State Development, the following appears:

> Zhen Yun and the West Beach Trust are having great difficulty in reaching a satisfactory agreement on the rental charge for the land to be leased from the West Beach Trust. This matter has now climaxed with Zhen Yun advising the department that they cannot continue negotiations with the Chairman of the West Beach Trust, Mr G. Virgo, and that, unless a satisfactory rental figure is given prior to Friday 27 January 1989, Zhen Yun Ltd will not proceed with the project. Part of the problem is Zhen Yun's perception that the West Beach Trust keeps changing its mind not only on the rental question but also on other issues. Whilst we recognise it is the West Beach Trust's responsibility to negotiate a satisfactory rental on the land under its control, it would appear that if the situation is to be resolved ministerial direction may be required.

In a letter from Zhen Yun Ltd to the Chairman of the West Beach Trust, Mr Virgo, Zhen Yun says:

> Thank you for your letter of 26 January. Your proposal has been carefully noted. We believe that the terms and conditions stipulated in your letter rule out further discussions with yourself. We have endeavoured in vain to entertain your continuous alterations since 16 November. We believe that you have not intended to conclude an agreement with us.

On the same letter there is a notation of a phone call from Mr Oh of the Department of State Development to Mr Lee of Zhen Yun on 27 January as follows:

> Confirmed again that Zhen Yun will not—

these last two words are underlined—

> deal with Virgo.

All this indicates a deliberate attempt to frustrate the redevelopment until finally the project was on the brink of collapse. My questions to the Minister of Tourism, who was at the time Minister of Local Government, are as follows:

1. Was Mr Virgo acting on instructions or an understanding from the Government in adopting an impossible and unbusinesslike approach in negotiations?

2. Was the Minister, as Minister of Local Government, aware of these problems and what steps did she take to resolve the impasse?

3. If she was not aware at the time, did she at any stage express disapproval of Mr Virgo's attitude and behaviour?

4. Did she at any time give any ministerial direction to the West Beach Trust?

**The Hon. BARBARA WIESE:** Obviously, it is now some time since I was Minister of Local Government and dealing with the Chairman of the West Beach Trust on the question of the proposed Zhen Yun development, and so some of my recollections are a little hazy. Certainly, I am aware, because from time to time Mr Virgo had meetings with me and briefed me on matters of interest and importance to the West Beach Trust and its business, that he was undertaking protracted negotiations on behalf of the trust with Zhen Yun about such things as the lease arrangements.

I recall that on at least one occasion when Mr Virgo had an appointment with me he outlined the nature of the difficulties that he was having with the Zhen Yun negotiations. He was notifying me so that I would be aware of the issues that were being discussed. I must say that at the time his explanation of the nature of the negotiations, the sticking points and the stand he was taking on those issues seemed to me to be a reasonable position for him to be taking from his perspective as Chairman of the trust.

For that reason I could see no good purpose, as Minister of Local Government, in becoming involved in the process that was under way then. As far as I am aware, there was never any occasion when I directed Mr Virgo to take a particular stand or otherwise with respect to the Zhen Yun negotiations that he was having. That certainly answers the first question from my perspective. I am not aware whether any other directions or instructions were given to Mr Virgo by any other member of the Government, but certainly I did not give instructions about how he ought to negotiate those issues that he had drawn to my attention.

**The Hon. R.I. LUCAS:** I seek leave to make an explanation before asking the Minister of Tourism a question about the West Beach Trust and Marineland.

Leave granted.

**The Hon. R.I. LUCAS:** A confidential memorandum dated 26 January 1989 from the Deputy Director of State Development, Ms Sandra Eccles, to the Minister of State Development, states:

> It seems that in a recent telephone conversation between Lawrence Lee of Zhen Yun and Geoff Virgo not only was the rental question discussed, but also Mr Virgo raised the issue of union problems and indicated that Zhen Yun should consider only building the hotel and not Marineland. This discussion has essentially caused considerable confusion in the minds of the Chinese, so much so that the ultimatum in point 2 was conveyed to us.

For the benefit of the Minister, the ultimatum was that they could not continue to negotiate with Mr Virgo.

**The Hon. Barbara Wiese:** Whose ultimatum was that?

**The Hon. R.I. LUCAS:** Zhen Yun's.

**The Hon. Barbara Wiese:** Zhen Yun's ultimatum to whom?

**The Hon. R.I. LUCAS:** They could not continue to negotiate with Mr Virgo.

**The Hon. Barbara Wiese:** By the word 'ultimatum' you mean that their position was that they could not—

**The Hon. R.I. LUCAS:** That is the quote from the confidential memo from Sandra Eccles to the Minister of State Development. It states:

> . . . so much so that the ultimatum in point 2 was conveyed to us.

For the Minister's information, I indicated that the ultimatum referred to by Ms Eccles was the one that they could not continue to negotiate with Mr Virgo. My questions are:

1. Was any formal or informal approach made by the Minister when she was Minister of Local Government or by any member of Government or Government official to Mr Virgo authorising the position expressed in the memorandum?

**The Hon. Barbara Wiese:** The position being?

**The Hon. R.I. LUCAS:** The position that I outlined in the question.

**The Hon. Barbara Wiese:** Being?

**The Hon. R.I. LUCAS:** Do you want me to read the quote again? I will put the remaining two questions and read the quote again. My other two questions are:

2. Did Mr Virgo discuss this position with the Minister or her officers?

3. Was Mr Virgo acting in accordance with the Government's objectives?

The extract from the confidential memo of Sandra Eccles states:

It seems that in a recent telephone conversation between Lawrence Lee of Zhen Yun and Geoff Virgo not only was the rental question discussed, but also Mr Virgo raised the issue of union problems and indicated that Zhen Yun should consider only building the hotel and not Marineland. This discussion has essentially caused considerable confusion in the minds of the Chinese, so much so that the ultimatum in point 2 was conveyed to us.

**The Hon. BARBARA WIESE:** I presume that the ultimatum to which the honourable member refers and which was contained in the minute from Ms Eccles to her Minister related to the position that was put by the Hon. Mr Griffin that Zhen Yun would not proceed with the development unless an agreement was reached by some date in February.

**The Hon. K.T. Griffin:** January.

**The Hon. BARBARA WIESE:** Sorry, January. So, the questions I am now being asked to consider are whether Mr Virgo discussed this position with the Minister or her officers.

**The Hon. K.T. Griffin:** The union problems.

**The Hon. BARBARA WIESE:** Certainly, as I indicated, from time to time Mr Virgo had meetings with me to discuss issues relating to the West Beach Trust and matters that he felt I, as Minister, should be aware of. He certainly discussed with me certain aspects of the numerous development proposals that were put forward for the West Beach Trust site. I recall his discussing with me some of the union problems that had emerged, or at least drawing to my attention the fact that there were union problems, with one of the proposed developments at the West Beach Trust site.

As I have already indicated, he also drew to my attention the difficulties that he was having in negotiating what he considered to be a satisfactory rental arrangement between the West Beach Trust and Zhen Yun.

**The Hon. R.I. Lucas:** Did he also say they should only build the hotel and not Marineland?

**The Hon. BARBARA WIESE:** I do not recall whether or not Mr Virgo said that to me, so I am not aware of a discussion that he may have had with the Zhen Yun people about that issue. With respect to the second question, 'Was he acting in accordance with Government objectives?', do you mean, 'Was he acting in accordance with Government objectives when he is alleged to have said to Zhen Yun that they perhaps should proceed with the hotel and not the Marineland development?'? I doubt whether that was the Government's position at that time. Obviously, I would need to check my records of events at about the period to which the honourable member is referring because, as he would be well aware, many developments have been proposed with many stages of development of each of those proposals. It is very difficult for me, one year later, to remember exactly at what particular point the discussions on the Zhen Yun proposal had reached by January last year. As far as I am aware, the alleged remarks that are being suggested that Mr Virgo passed on to Zhen Yun would not have been the views or the stated position of the Government at that time, if indeed he made those remarks.

**The Hon. L.H. DAVIS:** My question is directed to the Minister of Local Government. Following the ministerial statement by the Minister of Tourism yesterday that, 'The Minister of Local Government has also been asked to request the West Beach Trust to provide for tabling all relevant documents' relating to Marineland, will she immediately give a direction to the trust to provide those documents and, if not, why not?

**The Hon. ANNE LEVY:** I have already written to the West Beach Trust along the lines as indicated in the ministerial statement of yesterday. I do not yet have a response, but the Council may rest assured that, as soon as I receive such documents, I will table them.

**The Hon. L.H. DAVIS:** As a supplementary question, did the Minister impose a deadline for the delivery of those documents and, if so, what was that date?

**The Hon. ANNE LEVY:** No, Mr President, as I recall it, the letter asked for them to be made available, I think at their earliest convenience, but I cannot recall the exact wording. Certainly, no specific date was mentioned at all.

## FRUIT AND VEGETABLES

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Agriculture, a question about fruit and vegetable quality standards.

Leave granted.

**The Hon. M.J. ELLIOTT:** About a month ago on a tour through the Riverland, I met with a large number of representatives of various horticultural groups. I am sure it comes as no surprise to anyone here that they have a large number of problems. One issue that arose at almost every meeting I had was raised even by grower groups such as avocado and vegetable growers, who generally were fairly happy with their lot, and it related to fruit and vegetable quality standards.

I believe that about 18 months ago a committee brought out a report, which strongly recommended that South Australia have a set of quality standards for fruit and vegetables being sold within South Australia. Such standards exist in other States. This committee, which had both consumers and producers on it, agreed that there was a need for such standards.

For reasons that none of the growers have been able to fathom, the Government decided that it did not want to have such standards here in South Australia. A number of serious allegations have been made. As a consequence of this decision, the Victorian apple growers are absolutely delighted. In fact, in one of their newsletters, written about eight months ago, they say, 'Look, don't worry about your second grade fruit, there is a market for it over in South Australia.' That is in black and white.

Without mentioning specific details, in relation to one particular fruit commodity being sold in South Australia, the major supplier is getting seconds straight out of the Sydney market and sending them to Adelaide. It means that, first, South Australian consumers are apparently being treated badly because we are getting a lot of the lower grade fruit and vegetables from around Australia and, secondly, that the South Australian growers are put at a severe disadvantage, because their nearest market now has been taken over by cheap second grade goods brought in from interstate, which forces them to truck their goods interstate to try to sell their produce there. So, both the producers and the consumers are being hurt. I ask the Minister a very simple question: why has the State Government not acted on the recommendations of that committee?

**The Hon. BARBARA WIESE:** I will refer that question to my colleague in another place and bring back a reply.

## BUSINESS LEADERS

**The Hon. T. CROTHERS:** I seek leave to make a brief statement before asking the Leader of the Government a

question about a survey of business leaders recently carried out by the Australian Associated Press.

Leave granted.

**The Hon. T. CROTHERS:** We here on the Government side of this House are constantly subjected to a tirade from various Opposition spokespersons about how badly we are treating the businesses of this State and, indeed, about how much the Labor Party's policies are detrimental, with respect both to the businesses themselves and, presumably, the job opportunities that are created by the success of Australian business.

Recently, the Australian Associated Press did a pre-election survey of a not inconsiderable number of Australian businesses. Included in that survey were chief executives of major Australian companies, large local and foreign-owned banks, brokerage firms and economists. Given the success that the Australian and South Australian Governments have had over the past six or seven years in creating new employment and stopping the disastrous loss of jobs that occurred during the years of the Fraser and Tonkin Governments, and given the success that both Labor Governments have had in working with the Australian trade union movement in respect of the economic well-being of all Australians, it will come as no surprise to members of this Chamber to find that the survey showed that two thirds of all the business leaders surveyed believed that the national Government of Bob Hawke deserved to win another term in office.

In the light of the results of that survey, does the Leader of the Government find that the Opposition's repeated attacks on the Bannon and Hawke Governments retain any semblance of credibility? Secondly, does he believe that the Opposition's posturing on the relationship of business with the Bannon and Hawke Governments, obviously for its own electoral enhancement is, in fact, damaging to what is truly a memorable set of objectives obtained by both those Governments in respect to their success in dealing with the horrendous unemployment they inherited as a result of the Fraser and Tonkin years of government and, indeed, a memorable success rate in creating new jobs in our economy?

**The Hon. C.J. SUMNER:** Simply, the answer to the first question is 'No'. The answer to the second question is 'Yes'. I am not surprised to find that the survey to which the honourable member referred has indicated a reasonable degree of support within the business community for the Hawke Government and its achievements since 1983. The reality is that during that period we have seen a significant growth in employment. We have seen significant steps taken towards a restructuring of the economy—unprecedented steps, in fact, at least in recent times in Australia. Under the Hawke Government we have seen both company taxation and personal rates of taxation reduced, for corporations and citizens in Australia. I am not surprised that the economic activity which the Hawke Government has been able to sustain during this period is applauded by business leaders.

**The Hon. M.J. Elliott:** What about the workers?

**The Hon. C.J. SUMNER:** I will get to them in a minute. What has happened under the accord is that there has been restraint in wage growth, which has enabled the economy to prosper without the undesirable aspects of excessive inflation.

**The Hon. Diana Laidlaw:** What about overseas debt?

**The Hon. C.J. SUMNER:** The Hon. Ms Laidlaw does not seem to understand what has happened in Australia over the past three years. The reality is that there has been economic activity of a substantial kind.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. C.J. SUMNER:** Well, prosperity, too, for that matter in Australia. Certainly, there has been a sustained level of employment growth during the time of the Hawke Government and I would have thought that that was one indicator of prosperity. The fact, of course, that we do have a—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** The fact is that we do have a trading deficit and an overseas debt problem, which is being addressed through the policies of the Hawke Government at present. But the reality is that the accord has enabled controlled increases in salaries during that period, albeit that during this time there has been a reduction in real growth in salaries. But it has occurred through the accord in a way which has enabled economic activity to occur within Australia without excessive inflation, and with employment growth. I would have thought that that is an achievement that even members opposite might be prepared to concede. The reality is that, if members opposite, with their philosophies, take over, they will control demand in the economy not by interest rates but by unemployment. There is absolutely no doubt about that.

**The Hon. J.F. Stefani:** That is a nonsense statement.

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** Obviously, the honourable member does not know very much about it. But the reality is—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** The reality is that that is what will happen if Liberal Party and Country Party members get in at the Federal level. If the demand in the economy has to be controlled—and it is accepted that it does have to be because of the overseas debt situation and the balance of trade situation—if it is not controlled by high interest rates, which it has been over the past 12 or 18 months, then it will be controlled by a recession and unemployment—and that is quite likely the policies that will be followed.

*The Hon. R.I. Lucas interjecting:*

**The Hon. C.J. SUMNER:** What the honourable member is conceding now is that what I am saying is correct.

**The Hon. R.I. Lucas:** I am not conceding anything.

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** The Leader of the Opposition in the Council is now conceding that what I said previously, namely, that Opposition Parties will control demand in the economy by unemployment is correct.

*The Hon. R.I. Lucas interjecting:*

**The Hon. C.J. SUMNER:** The situation, and I put this here before—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. C.J. SUMNER:** —to the heckling of members opposite, happens to be the reality. I doubt whether what I am saying will be put to the test, because at this stage of the campaign there would seem to be extreme doubts about the coalition's winning the Federal election but, if it does, it has a choice of continuing the policies and broad outlines of the Hawke Government or, alternatively, if it wants to restrain demand within the economy, push it into recession and use unemployment to deal with overseas debt, inflation, and the like. That is the reality, whatever members opposite like to think about it. I am not surprised that both the business community (as mentioned by the Hon. Mr Crothers in his question) and the trade union movement have been supportive of the Hawke Government's policies, which

have given economic stability to this country, have enabled restructuring and, in particular, have enabled a significant employment growth during this period.

## SEAWALL

**The Hon. J.F. STEFANI:** My question is to the Minister of Local Government. As the Bannon Government appears to have set a precedent in the way in which the Premier's Department negotiated the Zhen Yun development, will the Bannon Government now provide to all seaside councils the same generous financial assistance for the construction and maintenance of all future seawalls, in the same way as the Government has extended such assistance to the West Beach Trust resulting from the Government's agreement to accept all non-developer's costs for the construction and maintenance of the seawall adjoining the Zhen Yun development at the Marineland site?

**The Hon. ANNE LEVY:** I very much doubt whether any local councils would want the arrangements that have been reached between the Government and Zhen Yun. The arrangement relating to the possible construction of a seawall is that, if it is required in the first 20 years of the lease, not one cent of Government money will be involved.

*Members interjecting:*

**The PRESIDENT:** Order! There is a tendency in this place to start directing questions to one another. I would like everything to go through the Chair if it could. The honourable Minister has the floor.

**The Hon. ANNE LEVY:** The Hon. Mr Stefani referred to the arrangement reached between the Government and Zhen Yun. I am referring to the arrangement between the Government and Zhen Yun whereby, if a seawall is required during the time of the lease that Zhen Yun has of some West Beach Trust land, the entire cost of the seawall will be paid for by Zhen Yun. This is quite different from the arrangement that applies to the various councils along the seashore, and I imagine that it is not an arrangement that any council would wish to have.

*The Hon. K.T. Griffin interjecting:*

**The Hon. ANNE LEVY:** The arrangement with the West Beach Trust is exactly the same as with all councils. The change to the Act, which occurred in 1985, put the West Beach Trust's responsibility for the foreshore opposite the West Beach Trust Reserve on exactly the same basis as applies to the foreshores for any council along the coast near Adelaide; that is, required coast protection work is financed by the council by up to 20 per cent and the Coast Protection Board provides 80 per cent or more of the cost.

The actual proportion borne by the council or the West Beach Trust is to be determined by negotiations within those parameters, that the maximum amount which the council has to find is 20 per cent of the total capital cost. I can assure members that there has not been a flood of councils applying to have the situation which applies to the Zhen Yun portion of the West Beach Trust foreshore, whereby they would have to pay 100 per cent of that cost.

## DRIVERS' LICENCES

**The Hon. I. GILFILLAN:** I seek leave to make a brief explanation before asking the currently vocal Minister of Local Government, representing the Minister of Transport, a question about drivers' licences.

Leave granted.

**The Hon. I. GILFILLAN:** A friend and constituent of mine went to have his driver's licence renewed the other day and the following occurred: first, he had his photograph taken and to have the licence renewed for the five years required him to pay $80. Then the photograph, plus the licence, plus all documentation was sent to Melbourne for processing and it will then be returned to Adelaide. He is a student at Flinders University and he tells me that Flinders University processes similar cards for students at no cost. My question to the Minister is: why are we spending money interstate for a service which is an ongoing service required by thousands of South Australians and which, surely, could be done competently and cost-effectively in South Australia?

*The Hon. Peter Dunn interjecting:*

**The Hon. ANNE LEVY:** I will refer that question to my colleague in another place and bring back a reply. I would also like to state that I do have a driver's licence right here and I would like the Hon. Mr Dunn to look at it, in light of the interjection suggesting that I do not have a driver's licence which, doubtless, was not recorded by *Hansard.*

## LEY FARMING

**The Hon. M.S. FELEPPA:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Agriculture, a question about ley farming.

Leave granted.

**The Hon. M.S. FELEPPA:** By way of explanation I will read the following article which appeared in the *News* on 16 February 1990 and which was headed 'Farmers killing land':

> Some South Australia farmers are returning to exploitative methods which pushed cereal farming to the brink, an Agricultural Department officer claims. The department's medic breeder, Mr Andrew Lake, studies pastures planted in between crops to revitalise soils.
>
> He said evidence suggested farmers were abandoning ley farming, where arable land is temporarily under grass, which helped conserve soils. There was a trend towards more intensive cropping, which was punishing the soil and resulting in falling grain protein levels in Australia, he said. Ironically, this was happening while ley farming techniques, developed in Australia a few decades ago, were being adopted by other temperate regions in the world.
>
> While attending the recent 16th International Grasslands Congress in Europe, Mr Lake visited Spain, which has a similar climate to South Australia, to examine its severe soil erosion problem. Continuous wheat or wheat fallow cropping practices in parts of Spain had seen yields drop to about six bags a hectare instead of the 60 possible from a healthy soil.
>
> 'Loss of organic matter and nutrients in these areas is almost total and erosion losses are staggering,' he said. 'Unless we practice sustainable methods of farming and make soil care a top priority, we run the risk of facing the same devastation now so clearly apparent in Spain.'
>
> Ley farming, using legume-dominant pastures between crops, was a well-proven method of ensuring nitrogen and organic matter were returned to the soil. 'Land suitable for agriculture is a strictly finite resource and the world is now at the stage where there is very little land left to exploit,' Mr Lake said. 'We must protect and preserve the land we have or we will literally starve. If erosion losses went unchecked, they could become massive and irreversible.

As reported above by Frank Barbaro, ley farming, first used in Australia, is being abandoned by South Australian farmers while it is being used and adopted overseas in countries such as Spain that have a similar climate. Ley farming is the sowing of legume pastures between cereal crops to revitalise the soil and maximise the welfare of the soil. My questions to the Minister are:

1. Is the Minister aware that some South Australian farmers are returning to exploitative methods which push cereal farming to the brink?

2. What is being done to ensure that the best use has been made in soil management in South Australia by ley farming?

**The Hon. BARBARA WIESE:** I will refer the honourable member's very good questions to my colleague in another place and bring back a reply.

## ADELAIDE MEDICAL CENTRE FOR WOMEN AND CHILDREN

**The Hon. R.J. RITSON:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Health a question about the Adelaide Children's Hospital and abortion services.

Leave granted.

**The Hon. R.J. RITSON:** Members will recall that a decision was made by the present Government to merge the Queen Victoria maternity hospital and the Adelaide Children's Hospital under one board and at the one site in due course. The common board already exists to control both institutions and the new institution is to be called the Adelaide Medical Centre for Women and Children. Ultimately, over the next few years, the combined resources and services of each institution will be sited at the Adelaide Children's Hospital site.

From time to time, my colleague the Hon. Mr Cameron has drawn attention to the progressive reduction in the bed numbers at the Adelaide Children's Hospital, and it would appear that the combined bed numbers of the new institution will be considerably fewer than the historically former sum of the number of beds in both institutions.

I understand also that at the moment the new combined board of these institutions is at sixes and sevens, with some tension surrounding discussions whether the Adelaide Children's Hospital site will be providing abortion services at the same level as has historically been provided at the Queen Victoria site, bearing in mind that such services consume in the order of a few thousand hospital occupied bed days. My questions to the Minister are: does the Government have a policy whether the Adelaide Children's Hospital site will eventually be required to provide the same level of abortion services as previously provided by the Queen Victoria Hospital? If so, will the planned and clearly reduced bed complement of the new system be adequate or will it increase competition between the aborting of children and the provision of medical care to sick children in that institution?

**The Hon. BARBARA WIESE:** I will refer the honourable member's questions to my colleague in another place and bring back a reply.

## CHICKEN LITTER

**The Hon. R.R. ROBERTS:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Agriculture, a question about chicken litter.

Leave granted.

*The Hon. Peter Dunn interjecting:*

**The Hon. R.R. ROBERTS:** The Hon. Mr Dunn obviously thinks that I am going to refer to one of his contributions in this place but, unfortunately for him, that is not the case. I have been approached by a number of concerned people, in particular, from the trotting industry, who have expressed their concern about the reported deaths of horses and other stock after consuming commercially prepared stock feeds. These stock feeds allegedly contain a proportion of chicken litter. The practice of adding chicken litter is not uncommon, and I am assured that in the right circumstances or conditions it poses no problems, as the material is a rich source of protein.

*Members interjecting:*

**The Hon. R.R. ROBERTS:** Members interjecting obviously think there is a growth industry in which they can participate. Many trainers and owners who are in charge of highly valued horses and who have used pre-made feed preparations in the past are extremely concerned that the animals in their care may be affected and that the legal consequences could put them in dire financial straits. Will the Minister of Agriculture legislate or regulate to make it mandatory that all stock feeds containing animal manure be clearly labelled so that stock owners and trainers can make appropriate choices when buying feed products?

**The Hon. BARBARA WIESE:** I shall be pleased to refer the honourable member's question to my colleague in another place and bring back a reply.

## ELDER CONSERVATORIUM

**The Hon. DIANA LAIDLAW:** I seek leave to make a brief explanation before asking the Minister for the Arts a question about Elder Conservatorium.

Leave granted.

**The Hon. DIANA LAIDLAW:** Administrative and assessment procedures at the Elder Conservatorium are generating widespread dissatisfaction amongst staff, students, many parents and music educators. While the depth of ill-feeling appears to have been brewing for about two years since the appointment of Professor Esser as Director of the conservatorium, it came to a head late last year over erratic assessment procedures. The Minister may be aware that, in the case of one gifted student, of a panel of three judging her work, she received two scores of 80 plus and one score of zero from Professor Esser. I am advised that in recent months some of the finest teachers at the conservatorium have resigned in disgust or have not had their contracts renewed, while music teachers in the secondary school system are recommending that their students go anywhere for their tertiary studies except the conservatorium. Also, a number of South Australia's most gifted musicians are opting either to defer their studies or are moving interstate to study.

In addition, in the past couple of days I have received alarming information that students nominating for the following four subjects at the conservatorium as their first preference for study—performance, arts performance, bachelor of music and arts (bachelor of music)—are down 35 per cent compared with two years ago, while first preference enrolments for the subject 'performance' are down by a dramatic 50 per cent over the same two year period. Figures for the piano and cello schools are particularly disturbing. In the meantime, it appears that the conservatorium has been able to maintain overall student numbers by accepting students who nominated for the conservatorium merely as their second, third or fourth preference for study.

As I know the Minister appreciates classical music, I ask her whether she is aware of the current depth of disillusionment amongst students and staff at Elder Conservatorium over current administrative and assessment procedures. If she is, will she alone, or in conjunction with the Minister

of Further Education, initiate a full investigation of the serious concerns raised by students and staff, past and present, in order to restore the conservatorium to its former status as a respected institution providing tertiary music education in South Australia?

**The Hon. ANNE LEVY:** I have certainly been aware of various concerns expressed at the Elder Conservatorium and not just from reading the *Adelaide Review*. However, I do not have any jurisdiction in this matter because university education comes under the responsibility of my colleague the Minister of Employment and Further Education; it is not my responsibility. However, I have had discussions with several people about the matter and, in discussions with the Minister of Employment and Further Education, we have talked about what long term view should be taken by educational institutions in this State about education in all the arts areas, not just classical music. I will refer the question to the Minister of Employment and Further Education as he is the Minister who has responsibility for this area.

## CEDUNA GAOL

**The Hon. PETER DUNN:** I seek leave to make a brief explanation before asking the Minister representing the Minister of Housing and Construction a question about Ceduna gaol.

Leave granted.

**The Hon. PETER DUNN:** The new complex being built at Ceduna for the Police Department has run into a snag because the building contractor has become bankrupt. A short article in the *West Coast Sentinel* puts the position clearly. Headed 'Complex contractor in trouble', it states:

> Mr Nick Orphanos of KPMG Peat Marwick, who has been appointed as receiver and manager of the company, said he was 'reasonably confident' the contract for the police complex could be continued. He said if an agreement could be made with the State Government, work on this project would continue almost immediately.

It also states that the company involved, Arthur Lloyd Pty Ltd, is also building the Wyatt Street car park for the Adelaide City Council. My questions are:

1. Has agreement been reached between the Government and Mr Orphanos to continue building the Ceduna police complex?
2. If not, what delay is expected?
3. What extra costs are involved with the continuing of Arthur Lloyd as the builder?
4. Is Arthur Lloyd still the contractor?
5. If another builder is to complete the project, what is the new contract price?

**The Hon. BARBARA WIESE:** I will refer the honourable member's question to my colleague in another place and bring back a reply.

## ELECTRICITY LINE UNDERGROUNDING

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Mines and Energy, a question about the undergrounding of electricity lines.

Leave granted.

**The Hon. M.J. ELLIOTT:** Last evening I participated in a public meeting sponsored by the Mount Lofty Ranges Conservation Association in Aldgate. The Minister (Hon. Mr Klunder) was also present. The meeting expressed the strong desire for undergrounding of electricity lines, by passing a series of motions after the Minister left the meeting. There was clear dissatisfaction that only economic factors were taken into account when undergrounding was being considered, and there was no consideration of the wider ramifications of the impact of tree trimming and so n that is currently taking place.

Some doubt was raised at the meeting about the claimed costs that were advanced. The Minister quoted certain figures but obviously could not back them up at the meeting. Another matter discussed was whether or not money could be released by delaying the construction of a new power station indefinitely. The Minister claimed that that could not be done and that the State Government already had a good record in energy conservation.

I would like to ask the Minister the following questions: Will the Minister release all reports on claimed costs of undergrounding, aerial bundling and standard wiring to allow informed debate over relative costs? Will he consider a change in the Act under which the Electricity Trust is established to allow it to take into account non-economic factors, something it currently cannot do? Does the Minister concede that the need for undergrounding in the Mount Lofty Ranges is not just simply a matter of aesthetics? Since the Minister claimed that ETSA had a good record in relation to energy conservation, will he itemise to this Council its record so far?

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

## PETROL PRICES

**The Hon. J.C. BURDETT:** I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about petrol prices.

Leave granted.

**The Hon. J.C. BURDETT:** The *News* of 5 February, under the headline 'Petrol zooms to 64c', states:

> Petrol prices in Adelaide today rose to 64.9c a litre . . . The increase follows a Federal Government agreement with oil giants that wholesale oil prices could rise by 1.69c, including a Consumer Price Index component of .97c.
>
> That .97c would virtually give the Prime Minister, Mr Hawke, the 1c extra he has been seeking for much-needed safety improvements to Australia's dangerous highways.
>
> Motor Traders Association Executive Director, Mr Richard Flashman, said increases in the wholesale price of oil would certainly be passed on directly to the motorist . . . Asked if he thought Mr Hawke would use the windfall to upgrade roads, Mr Flashman replied: 'Do you believe in Father Christmas?' . . . Meanwhile, a petrol station operator claimed today the latest petrol price increases were aimed at pushing independent operators out of the industry.
>
> The operator called the *News* to say the latest moves were a 'sham' resulting from a deal between the Hawke Government and the oil companies.
>
> The 'cosy arrangement' would give Mr Hawke his 1c for an election promise to upgrade dangerous roads, and the oil companies got permission to increase the price of wholesale petrol by at least .50c more.

The editorial in the *News* of 6 February, among other things, states:

> It is not true that a free market is a sacred cow. Many transport prices are controlled, plane and bus fares being two obvious examples.
>
> A good case can be made for restraints on the basic price of petrol . . . and the action of the oil companies and the Federal Government's disgraceful CPI indexing of the tax on it make it every day a better case.

My questions are:

1. Has the Minister had her car filled with petrol recently? If so, does she agree that the increase is a substantial burden on motorists?

2. Is the Minister concerned about the increase?

3. Is the Minister conducting any inquiry as to what can be done to contain the increases and, if not, why not?

**The Hon. BARBARA WIESE:** Obviously, the cost of petrol is a matter of concern to me both in my capacity as Minister of Consumer Affairs and as a consumer myself. Certainly I am aware when I fill my petrol tank, as small as it is, that the cost of petrol is and can be very much an important factor in determining whether or not families will be able to balance their budgets.

I am also aware that petrol prices have a very significant impact on the capacity of people to travel, so I am concerned about petrol prices in my capacity as Minister of Tourism, particularly since 80 per cent of the tourists who travel in and around South Australia travel by road. So, any development that occurs that may deter people from using their motor vehicles is of concern to me in that capacity as well.

The honourable member would be aware that the State Government does not play a role in the setting of wholesale petrol prices; that is a matter for the Prices Surveillance Authority. The method by which that matter is handled by the Prices Surveillance Authority has recently changed. As I understand it, the authority is planning to review the new procedures some time next year, and I would think that, if it felt in the meantime that an unsatsfactory situation was emerging in Australia, it might decide that further changes need to be made.

In relation to the State Government's responsibility, the Commissioner for Consumer Affairs has in the past monitored the retail price of petrol. This practice ceased in 1986 because it was decided that the significant fluctuations in petrol prices at the petrol bowser were such that there seemed little point in continuing it. At this time I have not instigated any inquiry into the current increase in petrol prices, but I am sure that the commissioner will be monitoring the current situation and the new Prices Surveillance Authority systems for setting the wholesale price of petrol and, if at some stage in the future it is deemed that there is a need to take some action or make representations to that authority, we will do that.

## INDEPENDENT COMMISSION AGAINST CRIME AND CORRUPTION BILL

**The Hon. I. GILFILLAN** obtained leave and introduced a Bill for an Act to establish the Independent Commission Against Crime and Corruption; to define its functions; and for other purposes. Read a first time.

## FREEDOM OF INFORMATION BILL

Adjourned debate on second reading.

(Continued from 14 February. Page 120.)

**The Hon. R.J. RITSON:** I intend to speak for only two minutes because most of what can be said about this issue has been said already. I want to reiterate my support for this freedom of information legislation, which has been around in various forms for a matter of years now. Events in this Council in the past few days have underlined the necessity for this legislation. Yesterday we saw two things. We saw the Minister of Local Government disclaim knowledge of a certain matter and defend that disclaimer on the basis that the matter was contained in an internal memo in another department. Then, confronted with a copy of a memo to her personally from that department, she took a defensive course of action which she need not have taken. She could easily have said, 'As you know, Ministers are very busy; an election has intervened since then. I do not recall it but I will look into it and inform you fully' and sat down. She could have come back and informed us fully. But, to her own disadvantage and to the interests of the press she spent quite a good deal of time talking gobbledegook and looking foolish—

**The Hon. Diana Laidlaw:** Do you mean she bungled it?

**The Hon. R.J. RITSON:** Indeed, she did—defending something she need not have defended. She need simply have pleaded lack of immediate knowledge and undertaken to give full information promptly on another sitting day. This underlines the defensiveness of the administration of Governments in this day and age. Their first thought is to do anything except come clean. I would have thought that the Minister could have learnt from her Leader, the Attorney-General, who quite often says, 'I don't recall but I will inform you.' He sits down and comes back and does his best to inform us. However, that trait is not at all infectious amongst Governments. So, Ms Levy displayed the innate defensiveness of Governments—a reluctance simply to accept the duty to inform Parliament and defer the matter until they can fully and accurately do so.

Clearly, the Minister's reflex was to do anything but inform Parliament. It may be that ministerial assistants had decided that that memo was something she need not know about. I have been at social functions and overheard senior public servants say to each other things such as, 'I don't think that is the sort of matter that the Minister ought to be allowed to know about.' I heard a conversation between two Government witnesses to a select committee, one of whom, on emerging from the select committee and walking past the door of an office which they did not know was occupied, said to the other, 'Well, we put that over them all right.' The fact of the matter is that we do not know who owns the power stations; we do not know the significance of the pages that might not have been given to us amongst the thousand pages of Marineland material the other day. As long as Governments display this defensiveness, as long as the Public Service feels that there are certain things that Ministers ought not know or that it is clever to deceive a select committee, the glaring need for this legislation remains. I therefore have no hesitation in supporting the Bill.

**The Hon. T. CROTHERS** secured the adjournment of the debate.

## STRATA TITLES ACT AMENDMENT BILL

**The Hon. C.J. SUMNER (Attorney-General)** obtained leave and introduced a Bill for an Act to amend the Strata Titles Act 1988. Read a first time.

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

*That this Bill be now read a second time.*

The Strata Titles Act 1988 has been in operation since September 1988. The Act has been well received and professional bodies and groups regularly utilising its provisions have found that it is a simple and effective piece of legislation which generally works well.

Monitoring the practical operation of any new piece of legislation is important, and the Government has canvassed a range of opinions including those of the Standing Com-

mittee of Conveyancers, the Real Estate Institute, the Law Society and the Institute of Strata Administrators on the operation of the Strata Titles Act in order to determine whether any amendments were warranted at this stage. The result of these consultations is this Bill, which can fairly be categorised as being a fine-tuning of the provisions in the Strata Titles Act.

The Bill is in large part devoted to clarifying the technical provisions relating to the division of land by strata plan. The Registrar-General indicated a number of practical problems, particularly concerning easements, encumbrances and encroachments which have been rectified. The clauses notes explain these amendments in detail.

The other provisions of the Bill deal with the operation of the strata corporation. It is important that members of a strata corporation are clearly guided as to their responsibilites.

Provision is made by this Bill to ensure that where a strata scheme consists of residential premises the management of the corporation will be in the hands of unit holders. However, in order to provide commercial flexibility where all the units in the strata scheme comprise non-residential premises the management committee can include non-unit holders. These provisions should ensure that residential schemes are administered in a way which is satisfactory to all unit holders, while non-residential schemes can be administered in a flexible way in keeping with the commercial and business nature of such schemes and the corporate nature of many such unit holders.

Provisions relating to the performance of structural work have been altered so that a unit holder may carry out work in relation to the unit which is authorised by the articles or which is authorised by special resolution. (The current provision requires approval by unanimous resolution). It is considered that a special resolution (requiring the support of two-thirds of the unit holders) gives sufficient protection to the interests of the unit holders in the scheme, while protecting the person who wishes to perform the structural work from the unreasonable conduct of a minority of members of the scheme. It is hoped these new arrangements will assist in the better practical management of strata schemes.

Provisions relating to the holding of general meetings and clarifying the procedures and voting rights at such meetings of the corporation are included as are provisions incorporating quorum requirements for the management committee.

New requirements requiring copies of current policies of insurance taken out by the corporation to be furnished to an owner, an intending purchaser or mortgagee are included. At present such policies must be made available for inspection, but there is no requirement for copies to be furnished. It is considered that, as there is a statutory duty to insure, the corporation should be required to provide copies of policies to prospective purchasers.

On the recommendation of the Law Society, an amendment is also made to allow for more flexibility in the leasing or licensing of part of a unit in non-residential premises. Current restrictions on such leases or licences in relation to residential schemes remain, but in relation to business or commercial premises different considerations apply. A variety of other minor matters are also dealt with in the Bill.

In order that the public can obtain up-to-date copies of the Strata Titles Act, the Government intends to produce a new consolidation of the Act as soon as possible after the passage of these amendments. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

**Explanation of Clauses**

Clause 1 is formal. Clause 2 provides for the commencement of the measure. The amendments effected to the principal Act by clauses 6 *(b)* and 27 of the Bill are to be taken to have come into operation on the day on which the principal Act came into operation (1 September 1988). The other amendments are to come into operation by proclamation.

Clause 3 inserts two new definitions into the principal Act. It is intended to clarify that a reference in the Act to a fence includes a reference to a gate, and to include a definition of 'statutory encumbrance' in connection with the operation of proposed new section 8 (7).

Clause 4 amends section 5 of the principal Act to provide, that, for the purposes of the Act, the common property of a strata corporation includes any structure on the site committed to the care of the corporation as part of the common property.

Clause 5 amends section 7 of the principal Act in two respects. First, it is intended to clarify that a reference in subsection (6) *(b)* (ii) to the protrusion of footings includes any structure of a prescribed nature over the footings. Secondly, it is necessary to amend subsection (7) in conjunction with the proposed insertion of new section 17a.

Clause 6 revises subsections (5) and (6) of section 8 of the principal Act. Subsection (5) presently allows a strata plan to provide for the discharge of an easement over the relevant land with the consent of the registered proprietor of the dominant tenement. The new provision will allow an easement to which the relevant land is the dominant tenement to be discharged. The Registrar-General will also be empowered, subject to obtaining the proper consents, to discharge an easement on the Registrar-General's own initiative.

Subsection (6) is to be replaced by two new subsections. New subsection (6) clarifies that an encumbrance not registered on the certificate for the common property comprised in a deposited plan will be taken to be discharged to the extent that it is not so registered. New subsection (7) ensures the preservation of statutory encumbrances (as defined) that exist in relation to the land comprised in a deposited plan.

Clause 7 proposes various amendments to section 12 of the principal Act. Subsection (2) *(b)* is to be amended to provide that the consent of a person with an encumbrance registered over common property must be obtained where the common property is to be effected by an amendment. New subsections (3a) and (4a) will allow an amendment (in limited circumstances) even though part of a building on the site may cause an encroachment on other land. (The provisions are similar to subsections (6) and (7) of section 7 of the principal Act.) New subsections (5) and (5a) will facilitate the operation of certain encumbrances where an amendment provides for the transfer of part of a unit to common property or another unit, or for the transfer of common property to a unit.

Clause 8 amends section 14 of the principal Act by including under subsection (7) a reference to the City of Adelaide Development Control Act 1976 and the Principles of Development Control under that Act.

Clause 9 amends section 16 of the principal Act to provide that an application for the amalgamation of two or more strata plans must be accompanied by a certificate certifying the correctness of the schedule of unit entitlements.

Clause 10 relates to section 17 of the principal Act. Subsection (7) prescribes the rules that are to apply in relation

to the land comprised in a strata plan where the plan is cancelled. It is proposed to include a provision that will allow an easement that was discharged when the plan was originally deposited in the Lands Titles Registration Office to be revived at the request of the registered proprietors of the dominant and servient tenements.

Clause 11 proposes new sections 17a and 17b. Section 17a addresses the problem that arises where a person's consent is required for the purposes of an application under Division II or IV but the whereabouts of the person is unknown. Section 17b will facilitate the creation of easements on the deposit or amendment of a strata plan.

Clause 12 relates to section 23 of the principal Act. Under that section, each officer of a strata corporation must be a unit holder. It is proposed to alter the provision so that an officer need not be a unit holder if none of the units comprised in the scheme consist of residential premises.

Clause 13 amends section 25 of the principal Act. Section 25 *(a)* provides that the strata corporation must hold the common property for the benefit of the unit holders and the other members of the strata community. However, section 10 (1) of the Act provides that the common property is held in trust for the unit holders. It is therefore thought to be appropriate to provide that the interests of non-unit holders will only be taken into account in the management of the common property to such extent as may be appropriate.

Clause 14 amends section 26 of the principal Act in two respects. It is proposed to clarify that a reference in section 26 (2) *(b)* to a unit is a reference to a unit within the site, and to provide consistency between subsections (1) *(a)* and (3) of that section by inserting into subsection (3) the words 'deal with'.

Clause 15 provides than an amount paid by a person under section 27 of the principal Act is not recoverable by the person from the strata corporation when he or she ceases to be a unit holder.

Clause 16 relates to the authorisation that a person must obtain under section 29 of the principal Act before he or she can carry out prescribed building work on a unit. The section presently provides that the authorisation must be by unanimous resolution of the corporation. It is proposed to amend the provision so that the authorisation may be by special resolution of the corporation, or under a provision of the articles of the corporation (thus allowing a general authorisation to be inserted in the articles by special resolution under section 19 of the Act).

Clause 17 amends section 30 of the principal Act to exclude subsidence from the events in relation to which insurance must be obtained.

Clause 18 amends section 31 of the principal Act to insert under subsection (2) the amount of 'public liability' insurance that is presently prescribed by the regulations.

Clause 19 makes a number of amendments to section 33 of the principal Act. Many of the amendments are of a technical nature. New subsection (2a) will provide that reasonable steps must be taken to ensure that a meeting of a corporation is convened on a day, and at a time and place, that is reasonably convenient to a majority of members of the corporation.

Clause 20 relates to voting rights at general meetings. The references in section 34 to 'a poll' are to be altered to 'a written ballot'. New subsection (6) will clarify that the written ballot is to be taken amongst unit holders (or proxies) attending the relevant meeting.

Clause 21 proposes various amendments to section 35 of the principal Act. It is noted that new subsection (1a) will allow a management committee to consist of, or include, persons who are not unit holders if all of the units comprised in the scheme consist of non-residential premises.

Clause 22 alters the 'relevant date' under section 38.

Clause 23 will require a strata corporation to provide a copy of any insurance policy on the application of a purchaser, prospective purchaser, or mortgagee of a unit. The amendments will also require that the minute books of the corporation must be made available on request. New subsection (2a) will ensure that a corporation does not charge more than the prescribed fee for a 'search' under section 41.

Clause 24 will, by amendment to section 44 of the principal Act, allow a unit holder to grant a lease or licence over a part of a unit if all of the units in the scheme consist of non-residential premises.

Clause 25 will require that a person appointed by a body corporate under section 44a of the Act be a director, manager, secretary or other officer of the body corporate if any unit in the scheme consists of residential premises.

Clause 26 corrects a printing error in section 50 of the Act.

Clause 27 clarifies the status of the boundaries of units in strata plans deposited in the Lands Titles Registration Office under the relevant provisions of the Real Property Act 1886.

Clause 28 amends Schedule 3 of the principal Act to restrict the ability of a person to interfere with plants on the common property of a corporation.

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

## ADDRESS IN REPLY

Adjourned debate on motion for adoption.
(Continued from 20 February. Page 251.)

**The Hon. J.C. BURDETT:** I thank His Excellency the Governor for the speech with which he was pleased to open the forty-seventh Parliament. I reaffirm my allegiance to Her Majesty the Queen, which I have previously sworn in this place.

We have just met for the first time after the election of 25 November. This election was convincingly won by the Liberal Party, but because of the inequity of the present electoral legislation it brought about a minority Labor Government. This has to be changed. The press has taken this up. The Premier has taken it up in a half-hearted and ambivalent sort of a way. He has made a Clayton's contribution to this issue. He will do something about a redistribution, but he does not yet know what. There may be a referendum to change the relevant Act, or he may reduce the size of the Parliament, which would bring about an immediate redistribution.

However, neither of these measures would address the matter of electoral equity. The present criteria for redistribution do not address equity; they do not address the proposition that the Party which gains at least 50 per cent plus one of the two-Party preferred vote should have at least a fair chance of governing. At the hearings of the Electoral Boundaries Commission so far the commission has held the view, quite correctly under the present Act, that this was not a matter which it was able to take into account at all. Therefore, all arguments and evidence in this regard were held to be irrelevant and inadmissible.

The present criteria have consistently militated against the Liberal Party. Since they were in place, the Liberal Party

has always done less well in gaining seats than it did on percentage votes. Members of the Liberal Party in this place have attempted to make electoral justice and equity a matter which the commission can take into account. No-one suggests that the commission could bring in a distribution which would guarantee this result, but it is a travesty of democracy that this matter cannot be taken into account at all.

Having approximately the same number of voters in each seat has no necessary connection at all with the concept of electoral justice. Many of the seats have got way out of kilter, but just fixing this up will not do the trick. The issue of electoral justice and equity between the Parties has to be addressed, and I challenge the Premier to do it.

I believe that one pleasing factor about the last election was that the Liberal Party did win the support on a two-Party preferred basis of the majority of the electors. Another factor which pleased me was that the Liberal Party won five seats from Labor in the House of Assembly. During the election campaign, I got to know all of the successful new Liberal members well. They are all enthusiastic, capable members, and I look forward very much to their contributions in this Parliament and their performance in their respective electorates. In particular, I mention Mrs Dorothy Kotz, the member for Newland, in another place. I live in her electorate and was her campaign manager. As well as her obvious ability, I was impressed by her absolute dedication to serving all members of her electorate, irrespective of Party. This was obvious during the election campaign and has been evident in the few short months since she was elected.

I turn now to another subject, which is a difficult one, and gives me no pleasure to raise. However, I, like other members in this Chamber, represent the whole State. As the matter has been brought to my attention, and because it is serious, I feel obliged to bring it to the attention of this Chamber. The subject relates to grave problems of lawlessness and threat to life and limb in and around the town of Ceduna. In a period of 12 months one glazier in that town put in 936 windows to replace broken ones. A former mayor of Ceduna had his war medals and his Order of Australia decoration stolen. They were found in a railway station in the Adelaide area. An area school principal had his car tipped over, and 43 windows in the school were broken. A bank manager, in an effort to preserve sailing club property, fired a shotgun into the air. Questions were raised of charging him. His son was questioned, and his car smashed up twice.

A building erected by Apex in the main street has had to be abandoned because of vandalism. Rocks are thrown on residents' roofs, including the roofs of widows who are terrified by these events. Bands of young Aborigines walk at night along the railway line calling abuse at nearby residents. On one occasion, the police had to drive, with sticks, 50 or 60 young Aborigines out of the town. There have been resignations from the Police Force because of frustration, including instructions not to take appropriate action in these cases.

Most of the problems have been caused by groups of young Aborigines. Many Aborigines are good, law-abiding citizens and neighbours and have themselves been the victims of the kind of behaviour about which I have been talking. I am not blaming the Aboriginal youth. The cause of this problem may be the attitude of the white population of this State, or of that area, or of the State or Federal Governments, or both. It may be a lack of effective programs. It may be a lack of appropriate education, or it may be a mix and it may go deeper than all these things.

I might add that massive truancy in the schools is part of the problem and this makes it difficult to address the problem by education in the schools. I am not concerned to lay the blame, but I am saying that the problem is really there and is really serious. The Government should not bury its head in the sand. It should do something about it, even though that may require a deal of research to find out what should be done. It would doubtless require considerable consultation with the Aboriginal people. The Government is doing nothing observable or effective in resolving the matter at the present time. On the contrary, a letter written to the Premier on the issue has gone unanswered for months.

There are some steps which could be considered. The possibility of holding parents responsible for the acts of their children in certain defined circumstances where lack of parental control is indicated could be considered—

*The Hon. C.J. Sumner interjecting:*

**The Hon. J.C. BURDETT:** Exactly—not only in Ceduna but across the State. I have seen the system of Aboriginal police aides used in the North-West reserves, and it has worked well. I would like the Government to explain why a few Aboriginal police aides are not employed in Ceduna.

When people get frightened they do desperate things. There is the temptation to take the law into one's own hands, which is wrong, but while the situation is not addressed it will happen. People have sold their houses and moved out. It there are any serious eruptions of a drastic nature, and there well may be in Ceduna, it will be the Government's fault while it studiously ignores the problems.

I turn now to consider the family, and the question of Government support for this institution. Since the beginning of the human race, literally since Adam and Eve, generally speaking, the family has been the only context in which babies had been brought into the world and nurtured. Recent writings about the family have not questioned this. They have referred to the changed makeup of the family. It is said that we now have different sorts of families—nuclear, *de facto*, single parent, reconstituted, extended, and so on. It is said that the mix of families has changed. That is true, but they are all families, and there has been no suggestion that the basic pattern has changed. It is families which take care of children.

I refer to an article in a recent issue of the *Current Affairs Bulletin* 'What is happening to the Australian family' by Michael Bracher and Gigi Santou. After a series of statistics, graphs and pontifical statements, the outcome is to conclude that the proportion of nuclear families is less and the proportion of *de facto*, single parent and reconstituted families is more than was the case previously. But there is no suggestion that there is any other mechanism, apart from the family, however constituted, for the procreation and bringing up of children.

I refer to a paper by Dr Don Edgar, Director, Institute of Family Studies, in May 1980. He also referred to the change in the makeup of families. He said:

> The family is, in my terms, 'the crucible of competence' where every person learns to know their 'place' in society, learns to perceive the world either as being malleable to their own control attempts, or as standing rock solid against any attempt on their part to improve the environment they live in.

Although the concept of the family has changed, the family is still the basic unit of society and that has not been challenged. Also, although a move to other forms of family has been noted (and actually those other forms have always been with us), there is no suggestion that the nuclear family is not still the basis of society.

The Federal coalition supports the family—something that the present Government has not done and has not

promised to do. The coalition's Family Action Plan is comprehensive. The system of child tax rebates, child-care tax rebates and the improvement of the dependant spouse rebate are solid evidence of the support of the Federal coalition for the family.

I refer to an article in the *Advertiser* of 10 February headed 'Family Violence Worst'. It states:

> The Australian family is a breeding ground for violence and the home is the most likely site of aggressive attacks, a major new Federal Government report has found.

This was the report of the Commonwealth Government appointed National Committee on Violence. The committee was obviously appointed for the purpose of bringing down this kind of report. It is totally contrary to my observations and I reject it, and I reject most of its recommendations.

I refer to the amazing kerfuffle in relation to the taking of photographs by the *Advertiser* in this place. My general view is that photographs ought to be permitted, subject to proper controls. This was eventually achieved but could easily have been achieved right at the outset given the slightest commonsense on the part of the *Advertiser*. Mr President, I entirely dissociate myself from the extraordinary tirade of abuse and the tissue of half truths (to say the least) thrown at you by the Managing Editor of the *Advertiser*.

Finally, I address briefly the question of video pornography. The South Australian Government, after considerable debate and tardiness, agreed with the Liberal Party in banning X-rated videos in South Australia. All the State Governments did the same, and in 1988 the Standing Committee of Attorneys-General recommended to the Commonwealth Attorney that the Commonwealth outlaw X-rated videos.

The Commonwealth Attorney took this recommendation to the Federal Labor Caucus, but it refused to endorse it. The situation is, as I have outlined recently in explaining questions, that while Governments democratically elected by the people of all the six States have decided, with more or less enthusiasm, to ban X-rated videos, that is all set at nought because mail order X-rated videos can be obtained from Canberra in particular, and from the Northern Territory. The vast majority of electors in Australia live in the States not in the Territories, and the refusal of the Federal Labor Party to act is a denial of democracy.

Mr Dennis Stephenson, a member of the ACT Assembly, has introduced a private member's bill to ban X-rated videos in the ACT. I congratulate Mr Stephenson on his initiative and courage, and I was pleased last week to stand alongside him at a rally and speak in support of his Bill. If his Bill is successful—and I hope it will be—the spotlight will doubtless switch to the Northern Territory. While I have every confidence in the Northern Territory Assembly to act responsibly, it is not good enough that this matter should have to be hawked through the Territories to give effect to the unanimous view of the States.

The coalition Family Action Plan explicitly states:

> A Liberal/National Government will take all necessary action to proscribe X-rated videos and ensure that the Australian Capital Territory in particular is not used as a haven for their distribution.

When the Attorney replies in this debate he might state what the Labor Party's policy is in this regard. I support the motion.

**The Hon. I. GILFILLAN:** I, too, support the motion. I refer members to a book, which I read with extraordinary interest, entitled *Budgetary Stress*, by Richard Blandy and Cliff Walsh. It was a study undertaken by the National Institute of Labour Studies, Flinders University, in association with the Centre for Research on Federal Financial Relations, Australian National University. I think it was primarily sponsored and initiated by the United Farmers and Stockowners, but it took a much wider perspective and was rather well received, even by the Premier, who had been a little concerned about its contents and the effect they may have on the current Labor Government.

It is worthy of concentrated reading and it is easy reading. I intend to highlight a few points in the book and to whet members' appetite so that they will look at the book a little more closely themselves. The authors make the point that South Australia has scope for developing quite a hive of national headquarters and that that may well be an area of development acceptable to the State—and one in which we could have several advantages over the bigger eastern State competitors. They commented that we are more dependent on Commonwealth grants than any State other than Tasmania, and this poses quite a problem, since we have a limited State revenue and, with shrinking grants, there will be an obvious budgetary stress linked particularly with the South Australian Public Accounts Committee's indication that substantial assets replacement will be required over the next 30 years.

The issues we have to address are as follows: how can we extend current asset life longer than we previously considered possible? Will these replacements be funded by borrowing of dollars or putting dollars aside now? Those issues are not easy to resolve either philosophically, logically or in fact. A couple of statistics were of interest to me. First, between 1982-83 and 1986-87 there has been a 1 300 per cent increase in Government sales of assets. This has had a significant effect on the State's finances. Those statistics may well have to be analysed to ascertain whether this type of sale holds future returns to the State, or whether by now we have scraped dry the bottom of that barrel.

I found it particularly interesting that, in a State which has been regarded as predominantly agricultural and which has a reputation for being a successful and highly productive agricultural State, the South Australian Government has the lowest consumption expenditure in agriculture of any State—2.4 per cent—and that compares with the other equivalent and substantial agricultural States of Western Australia, 4.2 per cent; Queensland, 5.4 per cent; and, Tasmania, 5.2 per cent. There could be an argument to review the actual wisdom of the South Australian Government's restricted consumption expenditure in agriculture.

Commonwealth grants represent 60 per cent of the State Government's revenue. In this regard I refer members to pages 84 and 85 of the book where several paragraphs deal with this topic. The authors observe how, to a certain extent, an adequate costing is not done on various Government expenditures covered by Commonwealth grants and, in particular, I found it significant that, in relation to costing and the State budget, the maintenance and building of roads is undercharged. Page 90 of the book contains a very brief but succinct statement which challenges the tax base of the State and I refer members to it as a provocative statement on where we are going and who will be brave enough to bite what I think may well prove to be a very worthwhile if somewhat unpalatable bullet:

> Restructuring the tax base of the States (including South Australia) towards principal reliance on a broad-based tax, like income tax or sales tax (and the elimination of payroll tax and most other existing State taxes), would represent a major step forward in improving economic outcomes in Australia.

I find that a very persuasive area in which to move in order to analyse what ought to be the most appropriate revenue base for State finances.

Another area that this Parliament should consider—and we are led towards thinking about this topic at page 159 in

particular of this book—is forward estimates. I quote from page 159 where the authors indicate that there should be longer term analysis and planning:

> Treasury [the State Treasury] should also upgrade and publish the 'forward estimates' of expenditure that it presently prepares on a confidential basis for the Treasurer. Some advances in this direction have been made in recent years in that full-year estimates of expenditures are presented in the budget papers as well as budget-year estimates.
>
> The longer time frame estimates made available to the Treasurer are not published, however. The Commonwealth Government does publish such longer term forward estimates for its own programs. Such information is vital for debating longer term directions and likely economic consequences of Government decisions, thereby introducing perspective into analysis of its actions. The Auditor-General recommended publication of two-year forward estimates in his 1987 report (page iv).

The book also argues for a separate Treasurer. I will not quote directly from the book, but I believe that proposal raises an interesting issue.

It argues that the work is expanding for responsible Treasury direction and analysis in this State and that it is unreasonable for it to be locked into just the responsibility and the activities of the Premier, although he may have a Minister assisting him. That still begs the question whether it is appropriate for the Premier to wear principally such an important second hat, as the Treasurer, however competent he may be. It is interesting to note that the Commonwealth Government introduced a Finance Minister, as well as a Treasurer and Prime Minister, and Victoria and Western Australia have also introduced separate Treasurers as a specific Ministry other than the Premier. The Auditor-General's role is recognised with admiration and enthusiasm in the book. Some recommendations made by the Auditor-General are highlighted. I will identify two of them on pages 160 and 161:

> The Auditor-General should apply systematic attention to the question of people management systems in the public sector; in other words, study the causes rather than the symptoms of worker dissatisfaction and below potential performance in the public sector.

Secondly, the authors recommend that the Auditor-General should extend his initiatives in assessing longer run improvements in Government agency operations. I cannot imagine any member in this place having objections to the Auditor-General's being encouraged to follow more diligently and with more resources both these areas. They are both bound to produce dividends to the State if they result in improved worker and managerial performances in the public sector.

The authors also recommend that there be an expenditure review committee of Cabinet. This, they argue, would be smaller than the present economic committee but would have a much more concentrated attention on efficiency issues involved in the budget process. The book states:

> It would not have a State economic development focus like the present economic committee but would review expenditure proposals and performance outcomes from Government agencies in an effort to reduce waste, improve efficiency, reward competence and shift resources towards areas showing the greatest pay-offs in cost benefit terms.

Once again, the book is highlighting activities towards goals with which no-one in this place could have any dispute, but it needs focusing and activity—action. Finally, I would like to recommend that members take note of comments made in the book on individual public sectors. The Engineering and Water Supply Department, for example, is analysed at page 206. It states that the actual payment for the service of the E&WS has no factor reflecting the actual use. A much higher proportion of its payment is related to the value of property, and the authors question that. They questioned the principle of what is termed 'gold-plating' in various Government departments where, because it is Government money and because the opprobrium of possible failure or breakdown is regarded with abhorrence, there is a case of over-expenditure and over-conservative attitude to what is reasonable cost linked to reasonable risk.

I hope these remarks will tempt members to take the book either from the library or get a copy because it is extraordinarily useful background reading for any constructive assessment of the budget which will be coming up in the next session and is helpful to the responsible attitude of the proper management of the finances of this State. I believe that no honourable member can be excused from, first, being interested; secondly, being concerned; and, thirdly, contributing to the proper financial economic management of the State.

**The Hon. PETER DUNN:** I support the motion and thank the Governor for presenting his speech to Parliament. The speech covered a wide area. However, I wish to confine my remarks to just a few matters. As this is the start of a new decade and a new Parliament, it is probably wise of me just to reflect for a moment on what happened during the past six or seven years that I have been here.

I would like to pay tribute to John Olsen who has led the Liberal Party for the past seven years. He has done a remarkable job and his performance during the election campaign was very commendable, so much so that the Government chased him from day one. It made a number of statements and promises trying to keep up with the Olsen team but it has now got into some trouble.

I would also like to thank the Hon. Martin Cameron, who led the Opposition in this Council for those seven years. His record shows him to have been a most successful parliamentarian. He stuck diligently to the task he had to do, particularly the shadow health portfolio, and he was most successful in highlighting some of the problems the Government had in the health area. I also congratulate the new Liberal members in the Lower House: Mr Such, Ms Kotz, Mr Matthew and Dr Armitage. They will make a significant contribution to this Parliament and I am sure that that will be of great benefit to those people whom they represent.

I congratulate the Hon. Rob Lucas on his elevation to Leader of the Opposition in this Council. I know that Rob, who is a young Turk, will make a very good fist of it. Look out Government! As well as that, Dale Baker and Stephen Baker are two new leaders of the Opposition in the Lower House. They have started off in a manner which draws the attention of the press and the public who are certainly impressed by them. I will make a couple of comments, one about Murray Hill who retired from Parliament and has received the Order of Australia. I congratulate him on that award. It was a good effort. He spent a lot of time in Parliament and was a good member.

It is interesting that the Hon. Mick Young also received an award. Murray Hill retired gracefully; Mick Young did not. Yet Mick Young received a higher order than Murray Hill. There is something wrong with the system when that occurs. I congratulate the Government on winning the election. Whether the rules are quite right does not worry me. I will abide by the umpire's decision. However, the Government won with a minority of votes on a two-Party preferred system. That matter needs addressing. The Premier has indicated that he will address it, and I hope he does not fall back from that. It was interesting to note that the Hon. Carolyn Pickles said that a smear campaign ran through the election. To me, that sounds like sour grapes.

I might add that I saw some flyers in the western suburbs indicating that the Liberal Party was going to increase Housing Trust rentals to bizarre levels. That was not very clever. Also, I saw a Minister's staff member letter-boxing an area. I followed him letter boxing in an eastern suburb, and I am not sure that that was altogether straight, either.

However, this is the start of a new decade, and we look for a clean slate; we can look ahead rather than looking backwards. I have done the looking back and I now wish to look to the future. As members of Parliament, we should and must encourage the productive, but we must also support the weak. However, the encouragement of the productive will not occur unless this Parliament addresses the problems that we have in this State. With a Federal election looming, the direction of the nation is more or less handled in the Federal arena, but the State Parliament still has an important role to play. I would like, first, to refer to rural areas, because they are the areas with which I am most familiar, and indicate what an asset it is and what a great job the rural economy has done for this State in the past year.

South Australia was blessed with a good season, having above average rainfalls in most areas. Because of that, we had good pasture growth and good sheep, wool and grain production. Indeed, to give the Council some idea of the high level of grain production, that agriculture area will contribute about $800 million to the State's economy. That sum is not to be sneezed at, and more than 90 per cent of that sum will be obtained as export income, which will help raise our standard of living considerably.

The $800 million results from a combination of high production and a higher return for produce on a unit basis. The income to this State is based on figures obtained from the Wheat Board and the bulk handling company. It is interesting to note that the total production of all grains received in South Australia was 4 582 167 tonnes, and grain is still coming into the silos. Even more interesting than that is the fact that Eyre Peninsula, the area from which I come and which has had a series of bad seasons and fairly rough treatment from the Government in respect of road funding, water and power distribution, and so on, delivered 47 per cent of the 2 678 000 tonnes of wheat produced in this State. Indeed, 10 per cent of Australia's wheat was produced on Eyre Peninsula last year. That is a big contribution and amounts to about $245 million from that one area.

Therefore, Eyre Peninsula has a claim to reasonable roads, water distribution systems and amenities that most communities expect, especially in respect of health care provisions, social security, and so on. Eyre Peninsula is a long way from Adelaide. It is virtually an island, because to reach it from Adelaide one has to travel around the two gulfs, through Port Augusta and an arid area, as a result of which people tend to think that it is further removed than it really is. The distance by road to Port Lincoln is the same, within a couple of kilometres, as that to Melbourne. So, it is a long way away from Adelaide and thus becomes somewhat of an island.

Eyre Peninsula had a good season, producing such an amount of wheat, but I refer also to the production of barley, oats, grain legumes, wool, pig, sheep and cattle meats that are not included in those figures. Overall in South Australia we have earnt about $2 billion from primary industries. Indeed, our primary producers are really the engine of this State, as they pull it along. Certainly, without them our standard of living would be low, especially as secondary industry has not kept pace with primary industry; indeed, right from day one it has not kept pace with South Australia's primary industries.

It was interesting that last year the Premier visited Ceduna and saw the grain division that distributes and delivers its wheat to Thevenard. Although the Premier visited the area during the drought and indicated that he would provide help to the area, little help was forthcoming. Help was available from the Agriculture Department if farmers had collateral. This year there has been a remarkable season in the area that the Premier visited, with some of the highest yields ever recorded coming from it. Lessons are to be learnt from that as I heard Senator Richardson, the Commonwealth Environment Minister, say that farmers in the marginal areas, which includes Ceduna and areas beyond, would have to leave those areas. However, I suggest that production in those areas is determined by economic factors. If there are two or three good seasons in the region, farmers will be able to look after themselves for a long time.

If there are a series of droughts, it may cause a problem and farmers will need support. I suggest, however, that there is still an enormous amount of income to be derived from these regions, and Australia's standard of living can be raised by such farmers if they are treated appropriately. If farmers get a fair return for their product and obtain assistance and guidance, they will contribute to the well-being of this State. I do not know whether the Premier intends to visit the area again this year and thank farmers for their contribution to his coffers (to which they have contributed enormously), but it would be wise, and indeed it would follow etiquette, for him to do so.

The Port Lincoln division received about the same amount of grain as the Port Adelaide division, which takes in all the Murray-Mallee, the South-East and areas in the Mid North. So, an enormous amount of grain was produced on Eyre Peninsula, and because of that, it is my opinion that much more money ought to be spent on research. Research money is low in this State, with little being spent on research. The Agriculture Department has been leg roped for a long time and it is time that it was allowed to break out.

True, we have had remarkable success with the money that has been spent in South Australia, and I think the Waite Institute is the prime research institute in Australia. It combines part of the CSIRO and the University of Adelaide. I remember once in India when something came up about Adelaide University and, although no-one knew about it, they were all familiar with Waite Institute. It is a remarkable organisation. The previous Director left and we have a new Director, but that will not change the institute's direction, research and good work. I suggest to the Parliament that we ought to relook at primary industry, particularly in the light of the land care effort which has been made by the Federal Government and on which I commend it.

I recall my father telling me about the terrible times of the 1930s, of the droughts and of the methods for growing wheat not being suitable, thus causing a lot of land degradation. Since then things have improved remarkably. Unfortunately, many people today cannot recall those times and say that the farmers are raping the land, but that is not true; they are using current techniques to the best of their ability. However, better techniques can be developed and more research needs to be carried out in regard to land care. I support whatever Federal and State moneys are put into research for land care and its revegetation.

I relate an incident that occurred in 1980 when I was a member of the Advisory Board of Agriculture. I asked for research to be conducted into the revegetation of silica sands in the area in which I lived, where it is very difficult for

trees to grow. Nothing was done, and I do not think anything has been done yet, although I noted a small article the other day which outlined new techniques and the use of chemical and mechanical equipment, enabling such areas to be seeded and revegetated.

Also, more research needs to be conducted into tilling methods. Tilling the soil causes drift and water erosion. During the 1930s when there was terrible hard panning and glazing over of soils we saw what happened because the soil was tilled so many times prior to seeding. Today chemicals are used, and the word 'chemicals' immediately conjures up terrible thoughts in people's minds. However, those thoughts are not necessarily correct. The judicious use of chemicals can have a great advantage.

More research needs to be conducted into the production of wheat, barley and oats. More research money should be committed to the boron story, which is a relatively new story in South Australia and which was primarily discovered at the Waite Research Centre under Dr Rathjen's wheat breeding program.

The pastoral industry is not at all happy with the Government's handling of the Pastoral Act. Pastoralists are unsure about rentals. Nobody seems to know what they will be. Certainly, the Government does not know. If it did the pastoralists would have been told. The Government should fix those rentals and make sure that they are not so high as to frighten away the owner/operators who mostly run the pastoral areas today. If those owner/operators are frightened away, the banks will own the land and be absentee landlords. I do not think that the Government would like that; I certainly do not.

The Government did not address that issue when it introduced the Act; it did not understand what it was talking about. I can understand that because Government members do not come from that area or have any empathy with it. Commercial transactions are not being followed through because rentals have not been set and no-one knows how much to pay for properties. The sale of such properties is therefore virtually at a standstill.

There are further exciting developments in the wool industry, particularly in relation to genetics in the breeding of sheep. Recently we saw the splitting of an ovum to produce two like lambs. The Adelaide Hills has led that development. The ovum splitting by human intervention will enable the rapid development of good features from good animals.

Today I have emphasised the need for research, but we should also, in primary industry, encourage the value-adding of products. South Australia has a lot of resources and produces a lot of commodities, but we do not process those commodities, and that is where the State loses out. For example, nearly all our wool is sold unscoured overseas; that needs to be addressed. Other countries have wool scouring mills, and I admit that changing this process will be slow. However, we must encourage these sorts of industry to develop in Australia.

Exporting thousands of tonnes of oil and grease is foolish. We need to spend more on research into wool scouring and value-added industries. New techniques have enabled the cut flower and meat industries to send their products overseas. I am sure that many value-added industries can be developed in this State. But, it appears that Governments are loath to do that.

I return to the land care matter, the cost of research on which should be shared. It is fine to tell farmers or pastoralists that they will do this or that, that they will like it and pay for it. Fundamentally, that is what the Government did when it increased the rents in pastoral areas.

However, I assure members that if one gets those people offside one will not get the desired result. I suggest that the people who call the loudest generally come from the city. Certainly the Democrats call the loudest, although I do not see many of them out in the bush. I do not think we have spotted one for a long time, but perhaps they will get out there one day. If they want Australia in its pristine glory, they must be prepared to pay for it. People in the city must be prepared to contribute, and I suggest that the best way of doing this is through the Government.

Finally, I remind members that Australia is in a terrible shambles, and this was well demonstrated at the Outlook Conference in Canberra a fortnight ago. It was interesting to hear some of the comments made by the people in the industry. Finances in the rural industry are not good; if they were, there would not be this pressure for land care. Basically, the problems have been caused because of the lack of finance. At the summing up of the 1990 Outlook Conference the New South Wales Farmers Association Chief Executive (John White) stated:

> The main issues occupying the minds of Australian farmers today were interest rates, exchange rates and inflation: in that order.

Interest rates at 20 per cent kill farmers because, at certain times of the year, most of them must borrow large sums of money. If one is 20 years old and wants to start farming where can one borrow $200 000, $300 000 or $400 000—and that is the minimum needed to start farming today. If one has this sort of money one is usually older and does not want to invest it in farming. If we are to have young and enthusiastic people to carry on in primary industry we need to fix the problem of interest rates.

The Government seems intent on keeping the interest rates policy. It was interesting to hear the Attorney-General this afternoon carrying on about using interest rates to control the economy. What is he controlling? Who has ever heard of Japan controlling its interest rates? If it is running fast and running free, then so much the better; it is employing people and creating jobs. People talk about soft and hard landings: this will be a crash landing, the way we are going at the moment, with interest rates up where they are. They very nearly crashed primary industry.

Along with interest rates, the exchange rate is very important. It needs to be under 70c in my opinion. That would allow primary industry to compete very effectively with secondary industries. The inflation rate just adds to the interest rate. There has always been 4 per cent on money—since the birth of Christ—from whomever it is borrowed. If six per cent, eight per cent or 10 per cent is added to that for inflation, we end up with a 12 per cent, 14 per cent or 16 per cent interest rate, and then a little more, because we are not likely to pay it back (and our credit rating has dropped), and we finish up with 20 per cent quite easily.

The other day I received a letter from the bank stating, 'Dear Sir, We are very pleased to inform you that we have dropped your interest rate from 20.5 per cent to 20 per cent.' Interest rates are off the moon. Every five years you double your debt. That is not acceptable in today's economy. It should not happen. It does not happen in the rest of the world. It is happening in Australia because I do not think the Government understands what it is doing.

At the round up of the 1990 Outlook Conference, Dr Fisher, who heads up the Australian Bureau of Agriculture and Resource Economics, made the following statement, which has some relevance:

> Australia's commodity sector—

and he is talking about primary industry and mining—

> is smaller than it otherwise would be because of protection provided to manufacturing industry.

The report on this continues:

He said the Industries Assistance Commission—

These are not just his figures but those of the Industries Assistance Commission—

had estimated that the long term sustainable gains to a feasible range of reform could be as much as $16 billion along with 35 000 additional jobs. Those gains were all the more important now for agriculture because Dr Fisher predicted that in the medium term the price for food would on average decline in real terms.

That is an argument I have put forward in this Parliament on several occasions in the past three or four years. I believe that the State Government needs to lift its game and put a little more effort into primary industry, the industry that really raises our standard of living. If $2 billion comes into this State for primary industry, it is reasonable to assume that about half of that is export income. That export income is totally used to either raise the standard of living or service our overseas debt, which at the moment is more than $100 billion. It was about $16 billion when the present Federal Government came to power but, due to its inept handling of the economy, we are now looking at some $100 billion more than that. We have to service that debt and we need every export dollar that we can get to do so.

The primary industry is doing its bit. It is time that the cities, secondary industry and monetary industries did their bit and worked hard to try to raise the standard of living of all of us. We all need that standard of living. Our standard of living in relation to the Commonwealth and the OECD countries has dropped from about eighth to about sixteenth in the past seven years. By all the factors that we can read, we are going backwards. It should be quite obvious to everyone that that is leaving us open for a takeover by other nations or other methods. I suggest that the State Government spend some of the money it is receiving on research in the Department of Agriculture, the Waite Agricultural Research Centre, the University of Adelaide and in those areas where the benefit can be poured back into primary industry.

**The Hon. L.H. DAVIS:** I thank His Excellency for his address in opening this session of Parliament. I congratulate the Government on its re-election in November of last year, albeit with only 48 per cent of the vote and albeit that it requires the support of Independent Labor members to govern in another place. I congratulate my former colleague, the Hon. Murray Hill, on the award which he so richly deserved, and I look forward to this four year term, which of course may well not run for that time, given the finely balanced nature of the numbers in the other place.

I want to address my remarks to a matter of growing public concern, a matter in which I have had some interest for a number of years. As members would know, I have had a background in finance over a period of some time. I have always firmly believed in the importance of investment as the enginehouse for growth of the Australian economy. In the wake of the stockmarket crash around the world in October 1987, there has been a considerable shakeout in the number of public companies in Australia. I am not saying that the October 1987 crash was necessarily the reason for the failure of companies. Quite clearly, there are many economic reasons which have contributed to the demise of many companies.

Crippling 20 per cent plus interest rates have burdened many companies, both large and small. There has been a very sluggish economy, particularly in the retail and small manufacturing business. In some cases there has been excessive optimism—as there always will be—and there have been simply plain excesses on the part of corporate management in a few examples. I was interested to note that 141 mainboard companies are currently suspended from trading on the Australian Stock Exchange. That comprises almost 10 per cent of the total number of companies listed on the stock exchange. The reasons why they have been suspended vary from the failure to lodge an annual return within the required time, the failure to pay listing fees, or the fact that they have gone into receivership.

I might add that there are many statutory authorities which, if they had to comply with the requirements of the Stock Exchange, would likewise be suspended from trading because of their failure to lodge annual reports with the Parliament within the required time. I give notice that that is a matter which I will continue to pursue in this current session.

As I mentioned, the Stock Exchange has had an important role over many years. There have always been rewards and risks associated with investment. One has only to look to the Burra copper mine where two various groups set out to raise capital in the expectation, the hope, that there would be a reward in the form of a very rich copper mine. The 'nobs' and the 'snobs' as they were called were formed. Only one group was successful. Those who had the Princess Royal lease failed. The others succeeded beyond their wildest dreams. Of course, that has been a pattern which is common to many great developments in Australia. Broken Hill Proprietary itself was a great adventure in the early days indeed, and is now one of the most productive steel producers in the world and has many diverse investments.

We have rolled back the frontier in many exciting ways, and Australia rightly boasts leadership in both agricultural and mining industries, not only in terms of the quantity of product produced but also in terms of the innovative technology. This applies not only to this century but also to the nineteenth century. The pattern of progress in Australia has seen much development through the Stock Exchange. There are various avenues for investment not only on the Stock Exchange but also in informal arrangements between interested parties.

In recent times, we have seen in agriculture the development of trusts to raise money for fish farms, vineyard production, wine making and a whole range of horticultural products. Recently, there has been an opportunity to invest in film, and even in theatre. Of course, there is traditional investment in property, either directly or through trusts, or in the mining sector, the oil and gas industry, which of course has only come to fruition in the past two and a half decades. More recently, venture capital has been raised for high technology industries and also in the industrial and manufacturing sector.

However, I am concerned about the number of corporate debacles where shareholders have suffered. Unfortunately, in some of these cases company directors have acted in ways which were clearly inappropriate and in breach of the companies legislation. In itself, that is a matter of concern. However, of greater concern to me is that there has been a stream of serious offences which have damaged the reputation of Australia in the eyes of overseas investors and, indeed, in the eyes of local investors. The damage to Australia's reputation as a nation in which to invest has been harmed by the corporate cowboys who have ridden roughshod over the system.

Quite clearly, overseas investors will be deterred by the actions of some of these parties. We should not believe that Australia is the only attractive country in which to invest. There is an increasing number of attractive options around the world. For example, the European Economic Commu-

nity, where the barriers will come down in 1992, will become a major economic trading bloc. The barriers that have come down in Eastern European countries in the 1990s will present increasingly attractive investment opportunities. Australia, which is on the edge of the Pacific rim, will also benefit from the very strong economic growth being experienced in so many of the South-East Asian countries; not only in Japan which, by the end of this century, may well be the greatest economic power in the world, but also in Taiwan, and increasingly in Korea, Thailand, the Philippines, Indonesia, and so on. So, Australia is well placed in that sense, but the corporate cowboys of the last two years have done remarkable damage to our status as a nation.

At present, there is massive uncertainty in the vital area of corporate affairs following a recent High Court decision. I know that that is a matter in which my colleague, the shadow Attorney-General (Hon. Trevor Griffin) has a great deal of interest and it is one which he has pursued for a long period of time. However, the decision suggested the Commonwealth does not have the power to legislate with respect to incorporation. Therefore, there has been a very considerable degree of uncertainty relating to whether the Commonwealth legislation is constitutional, for example, in areas relating to the winding up of solvent companies, with members voluntarily winding up. The High Court decision appeared to suggest that the Commonwealth is competent only with respect to foreign and financial corporations. What happens if a country later falls outside that definition?

One of the very real problems which has emerged as a result of the High Court's recent decision is that the court has not indicated what are incidence which are integral to the concept of incorporation. One of the incidence of incorporation is the responsibility of directors; it involves directors' fiduciary duties. Arguably, that may be beyond the constitutional reach of the Commonwealth. For the Commonwealth to bludgeon its way through is to ignore the constitutional reality and create a mass of uncertainty for business. It really is a matter of concern that, at the very time when we should have certainty in corporate affairs, we have a massive uncertainty.

One of the very practical difficulties facing the officers in corporate affairs is in developing a case. To bring a criminal action against a director requires proving the case beyond reasonable doubt. The Companies Code does provide a way around this to take a civil action and the onus, of course, in this case is less; the case has to be proved only on the balance of probabilities.

Indeed, the Federal Attorney-General (Mr Bowen) inappropriately—in the eyes of many people—earlier this month suggested that the NCSC should take civil action against the Bond group of companies as this would be a quicker method, rather than launching a special investigation. Mr Bowen claimed that it would better protect the interests of both the shareholders and creditors, although a special investigation would involve heavier expenses. However, the Federal Opposition spokesman for business, Mr John Moore, has, I think, quite rightly attacked the Federal Attorney-General's action in interfering. The Ministerial Council on Companies and Securities comprising the State Attorneys-General and the Commonwealth Minister will be looking at this matter shortly. I understand that they will be meeting to discuss this matter. A report, I think in yesterday's *Advertiser*, suggested that they still preferred a special investigation.

However, it is a matter of great concern that Corporate Affairs lacks the resources, lacks the staff and lacks certainty, following this recent High Court decision, at a time when these things are most needed. At the very time when certainty is needed in the corporate affairs area, we have uncertainty. At the very time when there should be certainty in relation to Federal and State responsibility in corporate affairs, there is uncertainty. At a time when unity of purpose is required, there is disunity. At a time when adequate staff and resources to properly enforce sanctions against corporate thuggery are needed, there is gross inadequacy of staff and resources. I strongly believe that directors should not be allowed to walk free from acts of gross criminality. The law provides heavy penalties for physical rape and murder. Rapists and murderers are made to pay for their criminal acts against society. Indeed, there has been growing debate and discussion in the public arena and in Parliament about the level of penalties for crimes such as rape and murder, and the enforcement of those penalties.

There are also heavy penalties provided for financial rape and murder. At the moment, the culprits generally walk free. In fact, the purchaser of a defective second-hand vacuum cleaner, worth $100, or a defective second-hand car worth, say, $2 000, is more likely to obtain satisfaction than a shareholder who has purchased $20 000 worth of shares in a company which has suffered at the hands of criminal acts by directors.

It was interesting to note that the Department of Public and Consumer Affairs, in the Office of Fair Trading has some 200 staff who are employed to investigate and handle complaints. The transport and consumer area, which I take it would largely cover new and used motor vehicles, has about 50 employees. The building and consumer product area has 40; tenancies, 35; trade standards, 25; and so on.

On the other hand, in the Corporate Affairs Commission, about 15 persons are employed in the investigation unit, seven in the police area, and five in litigation. That is a total investigation team of 27 people.

Now, I know it is a long bow to draw a direct comparison between the level of employment in public and consumer affairs, which have a range of complaints involving many household goods and products, and the level in corporate affairs, but if corporate affairs is to be an effective unit it needs adequate numbers. It also needs expertise and competence in the appropriate areas, and the payment of appropriate salary levels. It is an area of some concern to me that, as private sector salary levels increase in computing and legal areas, it is becoming increasingly difficult to obtain people with adequate training and skills, in those areas, in the public sector.

There is a very good case for Governments, of whatever persuasion, Federal or State, to recognise that point and to employ, as the Premier of New South Wales, Mr Nick Greiner, has done, super public servants who, at the very top level, are paid very reasonable salaries in recognition of the particular expertise they bring to their position. I believe that a bipartisan approach with Federal and State cooperation is required to root out this evil in the Australian corporate sector. There must be a capacity for the regulatory system to investigate and prosecute offences committed by directors of public companies. In all States of Australia over the past two decades Ombudsmen have been appointed to provide citizens with an effective means of redress against acts of maladministration of State Government departments, statutory authorities and local government councils.

One of the real problems faced by shareholders in Australia is the sense of frustration and hopelessness. They are powerless to prevent or have prosecuted criminal acts within public companies, in which they have an interest. I say straight away that I intend no disrespect to the employees in the Corporate Affairs Commission, when I make that remark. I have a great admiration for the people in that

area, who work under incredible pressure and strain. As I have mentioned, it would seem beyond a debating point that in this day and age corporate affairs is grossly understaffed and grossly under-resourced.

I sense that, as the Corporate Affairs Commission is presently structured, there is no ready or obvious focus for shareholder complaints. Under 'Corporate Affairs Commission', the South Australian Government section of the telephone book, for example, contains a number of headings including 'general registration inquiries', 'corporate operations', 'legal investigation division' and so on.

In 1989-90 the South Australian Ombudsman handled over 2 000 complaints from members of the public. In that annual report he reported that a large number of people made complaints in the private sector, in the commercial area and in other areas. I believe that a case can be made for the appointment of a corporate ombudsman (ideally in each State), who could be a focus for shareholder complaints about public companies. Sadly, I suspect that many directors have been rorting the system and many shareholders have been dudded, because there is a high level of expectation that crime will pay, the wrongdoers can laugh and the shareholders can please themselves.

The appointment of a corporate ombudsman within the governmental structure would, if accompanied by increased staff and resources to the Corporate Affairs Commission, act as a warning to directors of public companies that the Government is serious about stamping out corporate thuggery. Of course, it would have not only an important demonstration effect but also a practical effect whereby shareholders could see a focus for their complaints.

I raise that argument in the context of passionately believing in the need for investment in Australia. There is a relatively low level of community investment in Australian public companies. It is at a rate of about 9 per cent, which is much lower than in many other countries. By way of an aside, I hope that, when the Federal Liberal Government comes to power later next month, it will have as a high priority the privatisation of several public corporations.

One can see that for the time being the Federal Labor Government has privatisation on its agenda. That will enable many people who are employed by the public sector, and by those public sector corporations, as well as people in the community at large, the opportunity to invest in those companies when they are privatised. The British experience of privatisation, through Margaret Thatcher, has been singularly successful, and I hope that privatisation will encourage many more Australians to invest in their country and profit by that experience.

The point that I have made is that complaints made to the Corporate Affairs Commission often cannot be pursued adequately because of a critical lack of resources, and there are clearly cases where company directors have rorted the system and shareholders have been left with worthless share scrip. We must look at the disclosure requirements for public companies, and there is need for adequate corporate disclosure to ensure that the market is properly informed. In many instances the requirement for adequate disclosure has been neutered by a legalistic approach to what is and what is not a subsidiary. It is reassuring to note that currently accounting standards are being revised in this important area.

Quite clearly, we have to make a distinction between outright fraud where criminal conduct is involved and the more complex area of sharp practices. I accept that there is a distinction between those two areas but, whether it is outright fraud or sharp practices, disclosure requirements are an important focus for governments of the day, for accountancy bodies and those people associated with this important area. Problems are associated with consolidation and goodwill. In addition, sometimes worthless assets are shown as being worth much more than they are and sometimes loans are shown as being retrievable, when in fact they are worthless. There have been instances of manipulation of assets which have been transferred above or below their value in order to produce a particular result, and many of the large companies currently under the spotlight have been cited for that. Another area of abuse relates to transfers of moneys overseas in exchange for assets above or below their value.

When we talk about corporate affairs, the enforcement of the Companies Code and standards in corporate behaviour, we should make it clear that we are talking about not only the distinction between fraud and sharp practices but also legal and moral terms. We should talk about not only legality in corporate affairs but also morality.

I raise two examples of where there was, I think, a disappointing lack of finesse in the treatment of shareholders. One example involved Charterhall Australia, whose Managing Director was Russell Goward. Three years ago it had a rather large issue to shareholders. The application moneys for these rights were due on a Monday, and the money was due in Sydney. However, there was a postal strike in Sydney in the days ahead of that Monday deadline, and one shareholder of Charterhall Australia who had posted his letter in good time had his application refused because it arrived on the following day (Tuesday) simply because of the postal strike. That application was rejected; perhaps that was quite proper legally, but morally I think it was quite doubtful and disappointing. It does not leave a good taste in the mouth of that individual shareholder.

Another example of a public company where I suspect standards were applied which I would prefer to think were not the norm related to the Bell Group, which at the time was under the control of Alan Bond. The Bell Group had an issue of convertible preference shares for which it decided to bid. The only trouble was that the offer to shareholders (and there were not many of them) came on a Friday, and the acceptance had to be in Perth by the following Monday. Again, I do not think that that behaviour was appropriate; it certainly was not the sort of conduct which would encourage confidence in that company or the directors of that company. Perhaps it was quite legal but, in terms of moral standards and company behaviour, I suspect it would not meet with the standards that we would expect to see if we are to have confidence in investing in Australian companies.

An example of the frustrations of the shareholders of one group of companies has come to my attention. It relates to shareholders of companies in the so-called Independent Resources Group, who have been so frustrated that they have formed a shareholders action group. I have a copy of a letter dated 7 December 1989 from David Jenkins, the Chairman of the Spargos Mining Shareholders Action Group to the shareholders of Spargos Mining. It states:

Dear Shareholder,

In August 1988 a small group of men and women across Australia dedicated to responsible management of public companies and with backgrounds in law, stockbroking, accountancy and commerce became so concerned with the management of Enterprise Gold Mines NL that they formed themselves into an action group. They investigated the disbursement of $70 million of company funds and handed their findings and recommendations to the National Companies and Securities Commission.

Spargos Mining, along with Enterprise, Jingellic Minerals, Claremont Petroleum and other smaller companies, make up the so-called Independent Resources Group controlled or managed by Adelaide solicitor Michael Fuller.

As you will be aware Spargos and other group companies have been suspended from trading on the Australian Stock Exchange

by the National Companies and Securities Commission, which is conducting a priority investigation into the whole group. Since the last annual general meeting, the Managing Director of Spargos has resigned, stating in an interview with a finance reporter that he had become disenchanted with the course being taken by the company, and two sets of auditors have resigned.

In a letter to the Australian Stock Exchange on 31 January 1989, when the company was due to report on its activities for the previous 12 months, the Stock Exchange was advised that the directors of the company had resolved to change the financial year and date of the company from 31 December to 30 June. No financial information was therefore released.

It is now December 1989, and we have not had a detailed balance sheet nor an audited profit and loss statement for two years, and therefore shareholders have had no detailed information of the company's financial affairs for that two year period. The company had been supplying quarterly working capital reports to the exchange until December 1988. However, in a report dated 31 March 1989, the directors noted that the company had been granted reclassification by the exchange from an 'exploration' to a 'mining' company. The effect of this was to eliminate the quarterly working capital reporting requirement. We wrote to the Stock Exchange in June, questioning the wisdom of granting this reclassification but they did not reply.

Despite statements that the Bellevue mine had a breakeven cost of just $250 per ounce of gold and the enormous cash raising, our company is apparently borrowing money and recording huge losses, and working capital reports showed (prior to the change of reporting requirements) a rapidly deteriorating cash position.

He then reports Spargos made 'an operating loss of $23.3 million for the period ending 30 June 1989'. Then he talks in particular, on the second page of his letter, about Claremont Petroleum NL. Claremont Petroleum was quite a successful oil and gas explorer. It has a 10 per cent interest in the Jackson oil find in the south-west of Queensland. In 1985 it had a net profit of $10.2 million. In 1986 it had a net profit of $6.3 million and in 1987 a net profit of $13.9 million. Then, control of the company changed. In 1988 they reported a loss of nearly $1.5 million, and in the year to the end of June 1989, as far as one can ascertain, they reported a loss of over $10 million. But, David Jenkins, writing as Chairman of the Spargos Shareholders Action Group, reports on Claremont Petroleum NL as follows:

Spargos, through Petrogulf Resources Ltd, has an interest in Claremont Petroleum NL. Shareholders may be interested in a recent court case where Australian Gaslight Co. Ltd, a substantial minority shareholder, took Fuller to court to gain access to Claremont's books. Queensland Supreme Court Justice McPherson in his judgment refers several times to the inability of Michael Fuller to recall details of transactions, and he also said: 'There seem to me to be questions remaining unanswered that can reasonably be regarded as arousing genuine suspicion in the mind of a shareholder about the extent of the safety and security of his investment in the company.'

In making his decision. Justice McPherson said 'Having on a former occasion at the annual general meeting been to some extent confounded by the ignorance or reticence of the directors on a number of matters of important detail, and having encountered a somewhat similar phenomenon at the hearing before me, the applicants may be—and I am satisfied are—justified in making this application to obtain inspection of documents . . .'

That is just one example of the problems which shareholders, both large and small, have encountered in Australia. An unfortunate ugliness has developed in the corporate face of Australia. It is unfortunate; it is disappointing. It is a concern to me that it was necessary for a shareholders action group to be established to protect their own rights. Certainly, it is commendable that they have done that. Minority shareholders certainly do have rights which are enforceable at law. However, the legal costs are sometimes prohibitive in enforcing those rights, and it is important that regulatory bodies such as the Australian Stock Exchange, which can enforce listing requirements, and Corporate Affairs have the necessary teeth, staff and resources to enforce those obligations on directors in order to ensure that the Companies Code is properly observed.

In concluding, I have been reassured by a recent media release from the National Companies and Securities Commission dated 15 February 1990 under the heading, 'Business leaders react to corporate collapses', which states:

A meeting of four major professional and business groups, under the auspices of the NCSC, met today to discuss growing public concern about the standards of corporate practices and governance as evidenced in recent well-publicised corporate collapses. The groups were the Australian Stock Exchange, Business Council of Australia, Australian Institute of Companies Directors of Australia and the Institute of Chartered Accountants in Australia.

Revelations of unacceptable standards of behaviour among a minority of companies have cast a shadow over the whole of corporate Australia. As a result serious questions are being now raised about the honesty and integrity of company directors, the professional standards of auditors, the adequacy of disclosure to investors and the enforcement of current laws. It was agreed that there was an urgent need to address these issues as a group and develop initiatives in consultation with other organisations which will raise the standards of accountability and corporate conduct.

The Chairman of the NCSC, Mr Henry Bosch, said today that this was an important occasion as it demonstrated that the mainstream of business and professional organisations had set their faces against unacceptable behaviour by a minority in the business community and had agreed to take such action as it believed was necessary to promote higher standards of conduct that the community was entitled to expect.

'I am pleased to see that the group acknowledges that the remedies are largely within the professional competence of these and similar organisations, and that they intend to act swiftly to come forward with concrete initiatives to tackle some of these critical issues, which will include submissions in support of legislative change,' Mr Bosch said.

The NCSC has agreed to take an active part in the meetings of the group as these initiatives are developed.

I am heartened by that media release.

I want to finish by reiterating my concern about the current situation. I firmly believe that an example should be made of company directors who are guilty of outright fraud. It seems incongruous to me that people who are guilty of a far smaller crime which may affect only one or two people and which may involve a small monetary amount are often gaoled, whereas corporate hoodlums, buccaneers, cowboys—call them what you like—walk free in the community. It is unacceptable to see such people get off scot-free. It is quite clear that the time has come to set an example to the community that standards in the corporate sector must be high and must be enforced, because it has a longer-term implication for the future strength and direction of the Australian economy.

If there is not confidence in the enforcement of corporate affairs powers in Australia amongst potential investors both from overseas and within Australia, the future economy of Australia will be harmed. It is an important priority, which straddles State boundaries. It affects all States and the Commonwealth, and it affects all political Parties. We need a bipartisan approach. Such an approach will ensure that these serious matters are given priority and, most importantly, that the corporate affairs imbroglio between Federal and State Governments is resolved at the earliest possible opportunity and that at the most practical level the Corporate Affairs Department is given the necessary staff and resources to do its important work.

**The Hon. K.T. GRIFFIN:** I take the opportunity to thank His Excellency for the speech with which he opened not only this session of State Parliament but also this Parliament. I reaffirm my loyalty to Her Majesty the Queen, and I congratulate those members of the Council who were re-elected at the recent State election. Also, I congratulate those members of the House of Assembly who have been re-elected and those new members of both political Parties who have been elected for the first time.

I want to address only two issues in the course of this Address in Reply debate. The first relates to the Commonwealth's proposed takeover of the law relating to the regulation of companies and securities. The Bowen dream of total Commonwealth control over corporations and securities is beginning to sour. In pushing through the Corporations Act and related legislation Mr Bowen showed that he was no fool. He had nothing to lose and everything to gain. Up to the enactment of that legislation he was party to a cooperative scheme involving the States and the Commonwealth which was effectively governed by a ministerial council on which the Commonwealth had one vote out of seven.

Obviously, if Mr Bowen proceeded with the corporations legislation he had nothing to lose: he could only come out of it better than the existing situation, with the prospect of gaining absolute control. If the High Court had upheld the Commonwealth's attempt to take over the law, a Commonwealth Government would have power to control a wide range of community life without reference to the States. That range of community life through bodies corporate, and companies in particular, would relate not only to companies but also to their activities in the community and actions that they could or could not take.

It would relate to registration, incorporation, to the policy of companies, to employment, and to social attitudes, activities, contributions and development. What many people did not realise was that when Mr Bowen played his hand, the stakes were high and, although those who were involved professionally or from a business perspective in day-to-day operations of companies believed that the Commonwealth's proposal related only to regulation, they did not wake up to the fact that in the longer term the takeover by the Commonwealth—if upheld—would give the Commonwealth Government tremendous and all-pervading power and would be a very valuable tool to control a vast array of community activities.

Of course, it would have given them a very useful and important tool in implementing the ACTU's strategy for the next 10 years. It had very dangerous overtones and was particularly threatening to a wide range of community activities and, of course, the States would have been excluded completely from any consideration of this scheme. Melbourne, Sydney and Canberra, in particular, would reign supreme. Perhaps that is a contradiction, but one has to recognise that the control from Canberra is largely in the hands of persons from Sydney and Melbourne. Effectively, control would have vested entirely in the hands of politicians, bureaucrats, professionals and business people from those three centres.

Now the High Court has dealt a significant body blow to the Commonwealth, although it might not be a killer blow. Mr Bowen, if the Federal Labor Government were to be returned at the forthcoming election—a return which I do not believe is likely to happen anyway, but if it did—would undoubtedly try to bully and threaten his way through to gaining a major area of control over companies and securities, notwithstanding the significant loss recently before the High Court.

He would threaten to legislate and bring into effect the other areas of the corporations package that did not go to the High Court. In some areas he may be successful and in other areas he would not be successful. Undoubtedly, it would precipitate even more High Court challenges. Mr Bowen would regard that as being one way by which he could get the business community on side because not only would it result in those challenges but also it would continue the current level of uncertainty about business administration, and would rub off more on the States than on the Commonwealth.

Certainly, that is the way it is being and has been played to the present time. The States are those who are creating the difficulties while the Commonwealth is squeaky clean. The motivation for that sort of attitude, which is being promoted, certainly in the national press and from Sydney and Melbourne, comes from those in big business who want to deal only with Canberra and who do not want to have to deal with the States. They believe that they have a close relationship either with Canberra bureaucrats or Canberra members of Parliament. It also comes from business and professional people in Melbourne and Sydney who can see that there is a distinct advantage in excluding the less populous States from any area of company regulation or control. So, there is that prospect if we should be so unfortunate as to have a return of the Hawke Government that Mr Bowen will continue to bully and threaten his way to the point where the States, through public pressure, are prevailed upon to capitulate. We have seen instances of that even in the reports of the attitude of the South Australian Attorney-General, but I will deal with that shortly.

In relation to the High Court challenge, the attitudes of the Victorian Labor Government and the Queensland National Party Government did not help. It may be remembered that they did their own private deals with the Commonwealth to cede power to the Commonwealth in return for a guaranteed funding package and that that occurred before the High Court case was argued. In fact, Queensland pulled out the night before, leaving the remaining States—Western Australia, South Australia and New South Wales—to make some very rapid changes to their presentations to cover the gap created by Queensland's capitulation and withdrawal from the case and, consequently, its own resources, which would otherwise have been important in arguing part of the case before the High Court.

I do not think there is any doubt that those two States, in particular, did sell their souls for the traditional 30 pieces of silver. Of course, business writers and some professionals and business persons interstate have not helped because they have been undermining the cooperative scheme with false statements about the way in which it operated. Here, of course, there has been complete unanimity on the way in which companies and securities ought to be regulated. There is a very strong view from professional and business bodies that there ought to be a cooperative scheme.

Accountants, lawyers, the Stock Exchange, the Chamber of Commerce and Industry, the Employers' Federation—a whole range of groups—want a cooperative scheme. They see that there is value in a cooperative scheme for South Australia because it will mean that we will have a say in policy and administration, and there will be access to a local Minister through State organisations rather than a cap-in-hand approach through peak bodies in Canberra, Melbourne or Sydney where the policy and administration input are very limited, if they exist at all.

In fact, the Bowen scheme would ultimately result in South Australia's having an agency similar to the Taxation Department with what is, in effect, a branch office, where all decisions about administration and policy are made in Canberra, where the focus is more towards the eastern seaboard. We all know that the South Australian Attorney-General, along with New South Wales and Western Australia, took action to challenge the Corporations Act. Although I do not agree with the sort of compromises that he has been talking about, he and the Government are to be commended for persisting with the successful challenge in the High Court.

That challenge was bipartisan in the sense that the Liberal Party supported and urged it, and the Government continued with it. There were some suggestions, even the day before the High Court case was heard, that the Premier had had some discussions with Mr Bowen with a view to reaching some sort of compromise similar to that reached by Victoria and Queensland. Whether or not that was so, it did not eventually occur, and I am pleased that that is the case.

I say once again, as part of the review of Commonwealth activity, we have not finished with the arguments of the eastern Staters and the Canberra bureaucrats. A smokescreen has been created by Mr Bowen, in particular. The credibility of the existing scheme has been brought into question, and I think quite falsely. It focuses particularly on the questions of uniformity of the law, funding and administration.

Those who suggest that the law is not uniform just do not know what they are talking about. The fact is that company and securities law in Australia is uniform. It is uniform because of the structure of the cooperative scheme. The legislation is passed in the Federal Parliament and, by virtue of State complementary legislation passed at the time the scheme was introduced 10 years ago, it is automatically picked up in the States and becomes State law. So, the companies and securities cooperative scheme is uniform.

In terms of administration, the States administer as a result of delegated authority from the National Companies and Securities Commission and, while the States effectively control the State Corporate Affairs Commissions, the policy is dictated by the National Companies and Securities Commission which has established guidelines for operation, and those guidelines are uniform across Australia; there may be some difference in emphasis from State to State, but they are not of such significance as to affect the integrity of the cooperative scheme. The important thing about the administration is that within the State, State members of Parliament, professionals and business people can have access to the administering body directly rather than having to go to Melbourne or Canberra.

The funding issue is one of some significance. This year the National Companies and Securities Commission has a budget of $7 million, and half of that is provided by the Commonwealth—$3.5 million. Of course, the States pick up the fees from their own Corporate Affairs Commissions, but they also spend in providing resources for those commissions to undertake their work.

There is criticism, particularly in Melbourne and Sydney, about the lack of resources put into the local Corporate Affairs Commissions, and I would think that that is something that needs to be addressed because the States do make a considerable amount of money from the fees paid by companies to be incorporated and in respect of their general administration. In this State I think some $19 million will come from companies' regulation, building societies and credit unions in this current financial year. Only about $6 million goes back to the Corporate Affairs Commission. So, it is a revenue raiser. I have been critical of that over the last few years, because if we are to provide an efficient regulatory body the resources have to be applied to it, particularly if those resources are paid by the sector of the community that is being regulated.

At the Federal level, the Federal Government, and Mr Bowen in particular, has treated the National Companies and Securities Commission with contempt. Even when I was on the ministerial council, the Commonwealth was always difficult when it came to providing funds. The Federal Ministry of Finance always refused to concede, even graciously, that there should be some reasonable approach to resources. I remember that on a number of occasions the members of the National Companies and Securities Commission expressed utter frustration with their inability to do the job they were asked to do by the cooperative scheme because the Commonwealth was being difficult about resources.

That is compared with Mr Bowen's attitude toward his new super duper Australian Securities Commission, which has a budget in the first year of $220 million, of which I think about $120 million is on a one-off basis to provide the necessary infrastructure and $100 million is for running costs alone in this year. That is an extraordinary budget and must be regarded with some envy by the National Companies and Securities Commission, which is endeavouring to do a difficult job. If the Commonwealth were to be cooperative and properly fund the National Companies and Securities Commission, it would be able to do a more effective job than it is able to do presently because of the lack of resources.

The other problem is that, with the Bowen scheme, there has been a decline in morale in not only the National Companies and Securities Commission but also in State Corporate Affairs Commissions because none of them have known what their future may be. Although staff have disappeared from the National Companies and Securities Commission to go to the Australian Securities Commission or the private sector, thus creating gaps in its own resources to do the job effectively, it nevertheless has been endeavouring to do it and I would suggest it has undertaken its responsibilities with as much competence as is possible in the current circumstances. So, by his own initiative, Mr Bowen has compromised the capacity of the current cooperative scheme to operate satisfactorily.

The other criticism of the cooperative scheme relates to accountability. Some of our Federal colleagues have been quite critical of the fac that they cannot question legislation or even move amendments. I would suggest that that may be an inherent difficulty in the scheme. Nevertheless, with something in the nature of a cooperative, maybe that is the only way to do it. Certainly, it is an issue which should be addressed. I do not believe that it is sufficiently serious to warrant the wholesale changes which Mr Bowen is proposing.

Interstate academics and journalists have been making a variety of suggestions about the way in which company law ought now to be handled, from a complete takeover by the Commonwealth, through the States ceding all powers to the Commonwealth, to a continuing cooperative scheme. Mr Austin, a well known interstate lawyer, gets a mention in the *Australian* of 13 February 1990 in the column by Bryan Frith. Mr Frith states:

> Mr Austin has come up with a compromise scheme which he believes should satisfy both the States and the Commonwealth and enable certainty to be restored to corporate regulation. He suggests that the Commonwealth and the States should enter into a new formal agreement to replace the agreement that establishes the existing cooperative scheme.
>
> The new agreement would provide that the States would conditionally refer their powers with respect to the formation and regulation of corporations and the securities and futures industries. The Ministerial Council would be retained but under the permanent chairmanship of the Commonwealth, which had earlier been offered by the States.
>
> The Commonwealth would undertake to expose all legislative proposals to the members of the Ministerial Council before introducing them to Federal Parliament, and the council would have a right to veto by majority vote as is the case at present. The Commonwealth would agree not to legislate with respect to State statutory corporations, credit unions, building societies and friendly societies.

The new corporate watch-dog, the Australian Securities Commission (ASC), would be confirmed as the sole corporate regulator. The functions of the State CACs would be transferred to the ASC and there would be appropriate transitional provisions agreed to enable the ASC to enforce matters which were ongoing at the time of changeover. Arrangements would be agreed for revenue sharing with the States. Mr Austin suggests that the States may be able to withdraw a reference of power by giving one year's notice to the Commonwealth, which would bring the system to an end.

That means, effectively, a complete capitulation to the Commonwealth, and I certainly would not concede that that is an appropriate course to follow. Mr Terry McCrann, in today's *Advertiser*, talks more of a cooperative scheme when he states:

It remains, and has always been the case, that the only mechanism for achieving effective national regulation of the corporate sector is a cooperative structure involving both State and Federal legislation. This is, or should have been, known to Mr Bowen and his department, and it makes their pursuit of single Federal legislation in this area conduct bordering on the criminally irresponsible.

He further states:

The starting point for all this remains that we need a single system of corporation law and regulation in this country. No sensible peson would argue with that.

Further, he states:

And that means one thing, and one thing alone: fixing the existing system built around cooperative legislation, the Ministerial Council and the NCSC. This must be done so that it is all properly funded and so that we have a single national system of administration.

I do not go so far as to suggest we ought to have a single national system of administration. The present system certainly needs some attention but we do, for all practical purposes, have that system.

After the High Court decision, the Attorney-General did suggest a continuation of his so-called compromise scheme which, amongst other things, proposed that the Federal Government would have exclusive power to legislate on prospectuses and fund raising, takeovers, the securities and futures industry and investigations, but only after consulting the ministerial council. The cooperative scheme would, to a large extent, remain in respect of other matters. I have considerable difficulty with splitting the law. I think it would be cumbersome. It would be a matter of considerable confusion to have certain areas of the law legislated for by the Commonwealth and governed by it, and others by the States. I hope that we would continue with a truly cooperative scheme covering all areas of company and securities law, with a ministerial council and, if there are to be any improvements in administration, that they would be seriously addressed. The question of resources would be more appropriately addressed by both the States and the Commonwealth.

The only other aspect of that which is relevant is that the Federal Liberal Coalition has indicated that, after the election, if it should win, it would undertake consultations with Governments and Oppositions of whatever political persuasion.

This brings me to the next point which I will touch on only briefly, but I will flag it as a matter for continuing investigation. There are a number of Federal ministerial committees such as the Standing Committee of Attorneys-General and the Ministerial Council on Companies and Securities and others, covering such areas as transport, health and a range of other areas. Some, like the Ministerial Council on Companies and Securities, have what amounts to effective legislative power, particularly in relation to amendments to the Companies Code. Others are of an advisory nature, a forum for sharing views.

Generally, they comprise Ministers of both political persuasions, and they do enable a measure of unanimity to be reached on some areas of Australia-wide concern. Some prepare draft uniform legislation and expose it and then make decisions after exposure as to the form in which legislation will be introduced. Frequently, Parliaments are confronted with legislation which is argued to be uniform and which we should not be amending. Of course, that prejudices the sovereignty of particular Parliaments and has been a matter of concern in this Parliament.

Bills such as the Credit Bill which, of course, will have to be passed in each State Parliament and federally and which is an absolute shambles in its present form, is one of those areas which is being considered. The Privacy Bill at the Federal consumer affairs level will require, if passed federally, complementary State legislation. And there are road traffic laws. I suggest that, in developing these sorts of proposals and sharing those views, it makes good sense for Oppositions to be involved in the consultative process. I would also like to suggest that, whether it be with the Ministerial Council on Companies and Securities, or the transport Ministers, or education Ministers, we seriously consider involving not only Ministers but also Opposition shadow spokespersons in the deliberations.

We know that most of the deliberations of the various ministerial committees or councils will ultimately reach all political Parties, even though it might be of a confidential nature. We know that the membership of those committees comprises Ministers of two, possibly three, political persuasions. My experience of those committees and councils is that they achieve some measure of agreement on major issues, and, if Oppositions of all political persuasions were involved, it would seem to me a more effective way of obtaining a greater measure of bipartisan support on issues of importance to the community.

On some issues, it will not be possible to achieve that objective; even now, with Ministers of different political persuasions, it is not possible. However a lot more could well be achieved if others were involved in the deliberative process, as well as at the various State and Federal Parliamentary levels when legislation is introduced. That might also be relevant in relation to, for example, the National Crime Authority. A Federal Parliamentary committee has a watchdog responsibility at the Federal level. We have seen a number of issues raised in this Parliament recently where a State parliamentary committee or some joint State and Federal parliamentary committee which has the responsibility to share information and to question, might be of value.

One of the real problems is that, unless Oppositions are brought into some of the information sharing processes in committees, there will continue to be confrontation rather than cooperation.

On that note I commend the motion to members, and indicate my support for it.

**The Hon. M.J. ELLIOTT:** I, too, support the motion. I thank His Excellency for his speech. I have looked at my maiden speech—which was just over four years ago—to look at what had changed from the beginning of the previous Parliament to this one. I am concerned greatly at the problems I considered then and what has happened in the meantime. For this current term, we have been promised light and flare. I think there is a very real danger that it could be a little bit too light and too flarey and not really offering the sorts of things South Australia needs. What South Australia needs now is a Government with courage, but it must be able to distinguish between courage and pig-

headedness. A major failing of the Government in the last term was that when it decided to get tough it got tough at the wrong time with the wrong sort of issues—particularly in the area of development and the way it went about trying to push things through.

During my Address in Reply speech four years ago, the matter of Jubilee Point was raised. I was not to realise then that that was to be a forerunner of a whole series of projects which had one thing in common. What they had in common was that some bureaucrats had made up their mind about what was, and what was not, good for South Australia and we then went through a farce of a consultation process. In particular, the environmental impact statement process was shown to be severely wanting during the past four years and, unless the Government shows the courage to fix it up in the next four years, the sorts of problems that we have seen will continue. I would like to warn the Government to be careful not to proceed with the sorts of amendments that it put forward in a draft Bill towards the end of last year, because the sorts of fast tracking it had incorporated in that draft Bill would, in fact, exacerbate the problems because of the level of frustration they would produce within the community.

The problem that South Australia has in development is not the rules; it is really the lack of rules and the lack of clarity of the rules. In fact, I believe that we could have rules that are tougher which would make developers happier. Over recent years they have been encouraged too often to believe that everything will be okay and they have run into a wall later on. If we have a set of rules which, whilst they make developments in some places very difficult, are also very clear about where developments are allowed, and these sorts of zonings or whatever that are developed, have been developed through proper community consultation, then the developers will have the degree of certainty they are happy with, and the people who are concerned about environmental and social factors will have had protections inbuilt from the beginning.

However, there will still need to be a proper environmental impact statement process. We cannot do what the Government has done with the Marino Rocks marina where it has said an EIS was not necessary in that case. I believe that, in all probability, an EIS would have found Marino Rocks to be a suitable site; but, then, I have not had a chance to see any scientific analysis to see whether or not that would be the case. It was very wrong to make a decision not to have an EIS; that was a tragic mistake.

Four years ago, I touched on the matters of petrol retailing. As expected—and I presume the Government expected this—a large number of independent retailers have gone to the wall. I do not believe that in the ensuing years we have had cheaper petrol because of it. During the early part of the last Parliament we predicted that a price war would continue for as long as it took to get rid of the small independent operators, increasing the market share held by the big petrol companies who owned most of the major sites. We said the petrol war would settle down and the average price would go up. I believe that history is proving that to be correct. It is interesting to note that perhaps the petrol war is shifting out into some country areas at present, but once the rationalisation is completed there the same situation will also develop. I do not believe that in the long run the consumer gains from that process. Certainly, a lot of hard working people have been hurt.

I also touched on the matter of wine prices and the problems that were being created by monopolies, but I will move to that matter later on. I talked about the vine pull, and I predicted that if the Government was not careful, we would lose too many vines from the Barossa and Clare Valleys and that that could have a tourism impact. I am sad to say that that happened. I also predicted that, if we were not careful, a large number of vines would be pulled out and there would be a large planting of apricots and we would have an apricot surplus.

I would like to report that we have enough apricots sitting on the ground to double our present output, and yet there is already a glut in apricots. Unfortunately, that prediction also came true. The Government, by way of a press release, said I did not know what I was talking about but, I am sad to say, I was right in that case.

On the matter of decentralisation, I pointed out the lack of support the Government has been giving in any real sense to promote growth of the regional centres. I still believe that support is inadequate. I will not discuss that further at this stage. Another prediction I made was in relation to the Housing Trust. Large numbers of people were being pushed out of the city into country towns, and the illustration I gave, was Renmark, which was the place I was living at the time I was elected. I was worried that the Government was putting people into these large housing estates whilst it was supplying inadequate community support and, most importantly, was not doing anything to supply jobs for the children as they grew up. I said there would be problems within 10 years. The problems have already hit.

Renmark has a significant problem with young people who have left school and have no jobs. The reaction of the business community is to apply for a dry area in the town to try to remove the young drunks from the middle of the town. It is unfortunate that the problem has now fallen on the youth of Renmark. It was not their fault. It was the fault of insensitive growth and insensitive policy by the Housing Trust. The sorts of problems that I was talking about in Renmark are also happening in places such as Murray Bridge. They will also develop in other country centres in the next couple of years. The Government must take full blame for the development of those problems.

On the previous occasion I expressed concern that both the Labor Party and the Liberal Party were on the same economic trip, and were failing to fulfil the true aspirations and needs of Australians. Now, four years down the track, I think that is even more evident. Both Labor and Liberal are working on the assumption that increasing gross domestic product—economic growth—is the fundamental requirement to improve the lot of Australians. This assumption is fatally flawed in a number of ways. It is wrong because it assumes that increasing material wealth is commensurate with improved well-being. It is wrong because there is no account of distribution of material assets. Most importantly, it is wrong because economic growth, as currently assessed, is not sustainable. It is the third point that I will dwell on, as the first two, I believe, are self-evident.

Gross domestic product measures throughput. As we increase our rate of consumption of resources, gross domestic product increases when it is recognised that we have a finite resource base, it is an absurdity to strive to use those resources at an ever greater rate. As we use our high-grade reserves and expend greater effort extracting from lower-grade reserves the greater effort is reflected in increased gross domestic product. If we create damage in the process the cost of rectifying damage also contributes to gross domestic product. Costs are measured as benefits in gross domestic product. It is actually possible that the benefits delivered to society can be declining while gross domestic product is increasing. We might wonder just how close we are to that position already, where in fact benefits are

declining while the economists tell us we are better off. I want to make clear that my criticism is not just of material growth itself. I am not suggesting that we return to a hunter/gatherer society; that is simply an absurdity.

My criticism is of the increasing material growth for its own sake, and it is wrong to have it as the primary goal of society. It is the very assumption that the current State and Federal Governments work on and it is also the assumption that the State and Federal Liberal Oppositions work on—and it is wrong. More often than not every debate that one gets into in this place finds its way back to the question: 'Can we or can we not afford it?' and it falls back to an economic argument which is based on a major fallacy.

Is it any wonder that the population of our State and nation is becoming increasingly dissatisfied? While perhaps many individuals may not be able to put their finger precisely on the problem, they know that there are problems, and I will restate those problems: material wealth is at most only a component of well-being. Our society is suffering increasing inequity and increased material wealth is occurring at a cost which is not sustainable. Why are not Labor and Liberal asking a very fundamental question: where is our society heading and where do we want it to head? Labor and Liberal talk of a vision, but it is simply more of the same. It is simply stumbling off in the same direction—material growth—and never asking why or for what purpose.

Over the past decade or so rhetoric has long since replaced ideology. Very few people in Parliament these days seem really to have a philosophical base that goes beyond rhetoric. It might help perhaps to explain why deregulation has been embraced so easily. Deregulation is in fact a lack of philosophy. What logic says that, if we get rid of the rules and use market as the final arbiter, we will achieve what is best for all? The market ends up having rule setters, but they are not the general public and they are not the public's representatives—instead, they become the major industrialists and, to some extent, I suppose the major union leaders. They have no obligation to the public, nor understanding of the longer-term impact of their actions.

It is time for Governments to govern or to get out. We have no time in this place for ego trippers and power seekers—people who do not have a true vision for what this State and nation really can be. When I say 'visions' I do not mean just in terms of, 'Let's build the economy and let's get wealthier,' because that is not a vision at all.

South Australians are being hurt needlessly by the current push for deregulation, and I could perhaps illustrate this with some examples in the Riverland fruit industry. However, this is only by way of example and it is true of many other industries; it affects South Australians in other ways, also. If one looks at the current push towards free trade, we see that several Riverland industries are hurting badly due to importation of overseas goods. The orange juice industry was hit severely by concentrate coming in from Brazil.

Quite simply, the Riverland can never expect to produce orange juice as cheaply as can the Brazilians unless we perhaps followed a McLachlan-type push and had wage agreements between the boss and the worker and the worker was willing to work for $10 per week. In that circumstance the cost may be such that orange juice can be produced as cheaply as in Brazil, but that will not occur. So the question is: are we willing to protect our industry and the standard of living of both the producers and the workers in the fruit industry, or will we say that we will not have an orange juice industry?

It seems quite absurd that Australia should import food, yet food is one of the major cost items in our ballooning foreign debt. Not only do we have orange juice coming from Brazil but also we have apricots coming from Turkey and I believe also South African apricots, which are called Turkish apricots, are imported via Turkey. Even more strange is the fact that we also have canned fruit coming from China. It is mind boggling to realise that a nation such as China can afford to export food, but it is. In each of those cases the wage structures are significantly lower and there is no way known that our people can compete. The fact that they have managed to survive for as long as they have is to their great credit and illustrates their great efficiency. But, the simple facts are that the technologies that we have developed and that have kept us in front can be pushed only so far, and those technologies are being adopted in the other countries also. So, really, it is a losing battle and we must make a decision to be willing to protect our industry. It is not a question of protecting the inefficient—that is a nonsense.

The fruitgrowers, as are many small business people, are also being hurt badly by the current deregulation of the financial system, which has been one of the real tragic mistakes that has been made in Australia. We were told that fewer banks would help us, and I notice in the paper today that the banks are steadily buying each other out. I thought that we were going to a two-bank system but, the way that we are going, we might end up with just one Australian bank. The current trend is quite absurd, but the problem is not just the reduction in the number of banks that really have not provided the increased services with the promised reduced costs: it relates more particularly to the deregulation of the monetary markets allowing money to flow in and out of Australia at will. It has allowed the speculators to play games in the Australian economy. They are not making any positive contribution. Some simply make money on the margins as they shift money in and out of Australia, several times a day in some cases.

*The Hon. T.G. Roberts interjecting:*

**The Hon. M.J. ELLIOTT:** He lost for other reasons. What is worse is that over the past couple of years some Australian high fliers have borrowed overseas to buy existing Australian businesses, but have created no new jobs and no new business. However, they have created an overseas debt that has to be repaid. The interest payments that they have made overseas have been claimed against our taxation system so the rest of Australia has helped, via the taxation system, to subsidise the money games of the speculators, most of whom have now gone down the gurgler, and Australia has made absolutely no gain from them whatsoever. There has been no incentive at all for constructive business to take place. Whoever thought that deregulation would necessarily encourage only the good?

One of the major prices of the deregulation has been the very high interest rates because, since we have no barriers on the movement of money out of Australia, high interest rates are necessary both to keep our money in and to attract any extra money that we might require. The price of that has been high interest rates, which are killing small businesses as much as they are hurting the people who are buying homes or those who once just dreamed of buying homes and are now being forced into the rental market, which they also can ill-afford.

I raised the question of monopoly four years ago. The situation in Australia is rapidly deteriorating at all sorts of levels. In Australia we now find that one retail chain (the Coles-Myer group) holds 20 per cent of the market. I am not sure how many people are aware of just how many different companies fall under the Coles-Myer label. We

have Coles, Bi-Lo, Liquorland, Red Rooster, K Mart, Katies, Coles Fossey, Myer, Grace Brothers, and Target.

About 1 400 retail outlets, or 20 per cent of every dollar spent in Australia in the retail sector, goes through that one chain. A similar merger in America which produced the Coles-Myer chain, if it occurred, joining the largest supermarket chain to the largest department store, would have given a 4 per cent market share. Such a merger has never occurred, but it gives one an idea of the relative domination of Coles-Myer in Australia versus anything in the United States.

How is that relevant to the fruitgrowers in the Riverland? I do not believe that a free market system works once one starts to get oligopoly. Not only do we have Coles-Myer with 20 per cent of the market but also we have Adelaide Steamship with 9.6 per cent of the market. In fact, if you get simply into the fruit and vegetable lines you find that Coles-Myer, Adelaide Steamship and a couple of other companies virtually totally dominate the buying of horticultural produce. With so few buyers in the market, one ends up losing true competition and the farmers, the primary producers, start being price takers. Even in the situation of relative shortage, they will not get the returns that they could otherwise have expected.

There does not need to be overt collusion between the chains for that to occur. What makes the situation even worse is not only that we have monopolies occurring at the retail level but also that many of these monopolies are vertically integrated. By 'vertically integrated' I mean not only that they occur at the retailing level but also that they are often involved at the wholesaling level and quite often at the manufacturing level.

The Adelaide Steamship group, just as an example, the group which owns such stores as Woolworths, David Jones, Dick Smith Electronics, Big W, Flemings, Safeway, Clark Rubber, Mac's Liquor Store, etc., also owns enormous numbers of brand names such as Petersville-Sleigh, which includes Garden Land, General Jones, Peters Farm, Yogo, Dutch Jug, Blue Cow, Edgell, Birds Eye, Sunmost, Nannas, Gerber, Twinings, Herbert Adams, Wedgewood, Four 'n Twenty and Chiko. Then there are the Southern Farmers brands which include Sunburst, Prima, Saxa, Pura, Rev, Regency, Fruit Tube, Big Sister, Yates, Hortico, Snappy Tom, Pounce, Jacobs and Farmers Union. The Allowrie Foods brands include: Allowrie, Bodalla, Peters and Prefer. Then there is Metro Meat and Australian United Foods, which has the brands Peters and Pauls; and Penfold Wines, which has Penfolds, Kaiser Stuhl, Wynns, Seaview, Tulloch, Killawarra, West Coast Cooler and Tollana. In recent weeks we could add Lindemans to that. Adelaide Steamship now, via the Penfolds group, has something like 30 per cent of the winery business under its direct control.

This sort of monopoly which we are seeing here in the wine business is going right through the various industries. The dairy industry is dominated by one or two companies, and so on. The primary producer then finds that a small number of companies is buying directly off them for manufacturing purposes. A small number of companies is involved at the wholesaling level, and a small number of companies is involved at the retailing level and, quite frequently, via vertical integration, companies are involved in all three levels.

The final consequence of that is that the primary producer is getting a gross inadequate return. That does not mean that the consumer is getting a fair deal. The capacity for taking profits through the various levels of the chain is quite profound. In fact, they need to make big profits because they have geared their companies by huge borrowings to start off with. So, the companies will claim that they are not making a great deal out of it, but, who is? The consumer is not getting cheap goods; the farmer is being screwed—

**The Hon. T.G. Roberts:** The banks.

**The Hon. M.J. ELLIOTT:** The banks, yes—in fact, overseas, much of the time, because that is where the foreign debt is being generated. It is all so absolutely absurd. It is about time that Governments, both State and Federal, took a stand and said, 'Enough is enough; we will not tolerate this increase in monopoly or, oligopoly, which is developing in our industry.'

The Trades Practices Commission is quite happy to allow individual industries to be dominated by as few as two operators; in fact, in some cases it involves only one. As I have suggested already, it is to the detriment of all Australians and it is an economic issue. It is probably also ultimately an environmental issue because what reaction can a farmer have if his prices are down? Is it to put on more fertiliser; use more pesticides; not do the crop rotations that should be done; or whatever? I do not blame the farmers where there have been problems because, as I have argued, I think their returns are inadequate and sometimes they have no choice in seeking to survive but to push their land as hard as they possibly can. I could go on further than that but I am sure other opportunities will come up during this session.

I would like to move on to the electoral system. The Liberal Party, following the State election, screamed blue murder. They said, 'We got 52 per cent of the vote on a two Party preferred basis, yet we did not form Government.' The Democrats gained over 10 per cent of the vote but did not get a single member in the Lower House. I would say that the system certainly severely disadvantaged us as well. We should, by rights, have had five members elected to the Lower House if we had a democratic system of election. Quite simply, the Democrat voters are unrepresented in the Lower House. In fact, if one looks at the single member electorate system, one sees that over half the voters who voted at the State election did not get a person of their choice and, as such, are not being represented.

There is some talk of a select committee being set up, and I hope there is a joint House select committee to look at the electoral system. I hope that we eventually come out of it with a more democratic system. A number of systems are possible. Certainly, the Democrats' preferred position is multi-member electorates, probably something similar to Tasmania. There are other democratic systems also available such as the one in West Germany, which uses single member electorates and then uses a top-up so that each Party is fairly represented according to the percentage of the votes obtained. This is another possibility but certainly not our preferred option.

A number of things could flow from that. If we did have a properly elected and democratic Lower House, we could explore other changes as well. I believe the Upper House itself could go through a quite radical change in the process. There is talk about the Council being a House of Review, and it does function as a House of Review to some extent. Primarily, it acts as a House of Review because it is the democratically elected House. It more fully represents the cross section of the electorate and so, to that extent, it is a House of Review. But, there are many review functions it could carry out that it cannot because inevitably it is also something of a Party political House.

I do not think we will ever see the Parties leave the Council but I do think that its role could evolve; it could change so that Party considerations were lessened and many more sensible decisions reached. I believe that, if we saw a

change in the Lower House where it became a democratically elected, more representative House, the Upper House could look very seriously at possibly removing Ministers. I know that there are other members in this place who have suggested that from time to time.

**The Hon. Barbara Wiese:** What would I do?

**The Hon. M.J. ELLIOTT:** You could go to the Lower House straight away. I believe that the Ministers could then be drawn entirely from the Lower House and that the Legislative Council could have a number of standing committees so that not only could it review legislation but also legislation could be passed on to it where it proved to be controversial. It could also pick up many of the functions now carried out by select committees but not replace the select committees system, so that matters that were of public interest could be referred to it. They could be more forward looking than Parliaments are from time to time. When we get into major issues such as land care or a need for change in the current economic direction, and the like, cross-Party committees could play a significant role in exploring options and making suggestions.

The final matter to which I will refer today is my concern that there are other problems in respect of the functioning of democracy in South Australia besides the electoral system. There are other things which are not in place and which I believe need to be there. I hope that the first of those will be resolved soon—the question of freedom of information. Members of the public have a right to know a great deal that they are not presently being told. Many questions that I am being asked about as a member of Parliament should not be necessary—the information should have been already freely available. If there is an allegation that there has been a toxic spill somewhere, that information should be available to the public. There is no basis for not making it available, other than perhaps some bureaucrats trying to cover their own backsides for not doing their job properly and, frankly, I have no sympathy for them.

One reason why freedom of information is opposed so vigorously has to do with power—both the power of Governments, which feel they will be caught out, and bureaucrats who feel that they will be caught out. There is a real danger that, if people knew what was going on, they might start making decisions and recommendations, pointing to directions we should be taking. Bureaucrats and politicians like to believe that that is their role, but I believe that the public, with full information, can play a far better and a far more active role and are demanding that now. I can only hope that we can see such legislation through this place soon.

Also, there needs to be a way of bringing Governments and Ministers to account. Often legislation passed exempts Governments themselves, and particularly Ministers. One way in which they are granted a form of immunity is that it is difficult to get standing in courts on many matters. In several bits of legislation already I have tried to insert clauses granting *locus standi*, standing in the courts, to people who do not necessarily have a financial interest so that they can see that the law is carried out. The only argument that I have heard advanced against this is that our courts will be cluttered with people who are bringing frivolous cases. There are ways of coping with that.

If the law says that the 'Minister shall', it should be the right of any member of the public to ensure that the Minister shall do that. That option should be available through the courts. If the Minister believes that such action is wrong, the Minister has a way of getting around it by changing the law—not avoiding the law, as is done so frequently now. The Government has established a committee to make recommendations on this matter. The committee strongly recommended the need for the granting of *locus standi* in a much wider range of cases but the Government, for whatever reason, has chosen not to follow that recommendation, probably for similar reasons as I gave for its not wanting to take on freedom of information. I support the motion.

**The Hon. BARBARA WIESE** secured the adjournment of the debate.

## ADJOURNMENT

At 6.20 p.m. the Council adjourned until Thursday 22 February at 2.15 p.m.