LEGISLATIVE COUNCIL

Wednesday 8 August 1990

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

PETITION: ASH WEDNESDAY BUSHFIRES

A petition signed by 757 residents of South Australia concerning the events leading up to and after the Ash Wednesday bushfires of 1980 and praying that the Council establish a select committee to inquire into matters relating to the 1980 Ash Wednesday bushfires was presented by the Hon. R.I. Lucas.

Petition received.

QUESTIONS

PRICE CONTROL

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about price control.

Leave granted.

The Hon. R.I. LUCAS: In South Australia only a few items are still subject to strict price control. One of these items is baby foods. The Prices Division of the Department of Public and Consumer Affairs is supposed to ensure that maximum prices are not exceeded on these goods. Last month my office surveyed 13 metropolitan supermarkets and discovered that at least six were charging prices higher than the maximum price fixed by the Prices Division for baby foods.

The Hon. M.J. Elliott: Did you get Legh Davis to do your survey?

The Hon. R.I. LUCAS: He just does the painting. We are contracting against each other. In fact, one supermarket was charging 40 per cent more for a certain line of baby food than the stipulated price. Officers within the Prices Division admit that they have no clout in policing the prices they supposedly control, nor in prosecuting businesses that are not prepared to lower prices. In fact, an officer from the division informed my office that it had only one staff member covering the policing of price control and it had never, in his memory, prosecuted retailers for overcharging customers in this area.

At the same time as the prices people admit their impotency in this matter, a snack bar proprietor recently contacted my office complaining of the intimidatory tactics of the Prices Division of the Department of Public and Consumer Affairs in trying to impose fixed prices on pies and pasties. Pies and pasties are not under price control but come under price monitoring. However, this snack bar owner was cautioned by the Prices Division officer for selling pies at $1.10 instead of $1, even though it was pointed out to the prices officer that many shops regularly sell pies and pasties at up to $1.30 each. Indeed, I think I have paid more than that at a good number of places.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Pies and pasties and baby foods are very important for family members. The owner was then threatened by the prices officer with prosecution if the price of the pies was not dropped to $1 even though, in reality, at the moment the Prices Division has no power to do so in that area. My questions to the Minister are:

1. Does the Minister concede that many shops are operating illegally by charging more than the maximum price allowed for goods such as baby foods?

2. Does the Minister believe that a need exists for items such as baby foods to continue to be subject to price control?

3. Is the Minister reviewing the current Government policy of price control and price monitoring on a range of goods?

The Hon. BARBARA WIESE: The honourable member would probably not remember, as he was not in Parliament at the time, but the current situation as it relates to the responsibilities of the Department of Public and Consumer Affairs and the issue of price control and monitoring has come about as a result of decisions taken by the former Liberal Government back in 1979 when a review of the prices function of the department was undertaken. As a result of that review some 33 items were delisted for price control, because it was considered after the review that they should no longer be subject to such control. I presume that was in line with the then Government's views about deregulation. Since that time there has been a reorganisation of functions and responsibilities of particular departmental officers in line with the changed responsibilities of the organisation. That was to be expected in view of the reduced responsibilities in this area.

This Government has continued with the practices established at that time. The monitoring function—one of the three functions now performed by the department—places less emphasis on a range of items at any one time, while more emphasis is placed on reacting to complaints received from time to time about items and alleged overpricing. When such complaints are received, action is taken by the department. It is unreasonable and unfair for the honourable member to suggest that the fact that there is not a huge record of prosecution indicates that the department is not fulfilling its function or is not successful in meeting its responsibilities. On the contrary, the role that the departmental officers try to play is a conciliatory one and, when items are brought to their attention, they attempt to negotiate with the retailers concerned with a view to rectifying the situation. The department has a good record in implementing changes when retailers seem to be charging too much for items on the shelf in their shop. On most occasions retailers do respond to the representations made to them.

The question of whether or not baby food should be subject to control is not, as far as I know, an issue that has been examined recently, but officers of the department will report to me either late this year or early next year on the prices functions performed within the Department of Public and Consumer Affairs and will make recommendations to me on areas where they feel there should be change or further review, as it is now some time since those functions were looked at formally. It may very well be that this is an area that needs attention. I will make sure that it is one of the subjects drawn to the attention of officers when the review takes place and, in the fullness of time, the honourable member will be informed of the results of that review.

The Hon. R.I. Lucas: Are they breaking the law at the moment by charging more than the fixed price for baby foods?

The Hon. BARBARA WIESE: I am not sure that that price is fixed. I do not think it is.

The Hon. R.I. Lucas: That is what your division told my office.

The Hon. BARBARA WIESE: I do not think that is true under South Australian legislation. I will make sure that I get a full report on the honourable member's questions about the pricing of baby food but, as I understand it, baby food is not one of those items that currently falls within the purview of price control in South Australia. However, I will check on that, bring back a report for the honourable member and make sure that he is fully informed.

The Hon. R.I. LUCAS: As a supplementary question: does the Minister accept that, currently, her officers have no power to threaten snack bar proprietors with prosecution for charging $1.10 for pies and pasties as opposed to $1?

The Hon. BARBARA WIESE: I believe that pies and pasties also do not fall within the purview of the legislation for price control, so it would be inappropriate for anyone to be threatened with prosecution. I would be very surprised if that had happened with any officers of my department. If the honourable member has information about particular officers and he can name names, I will be very happy to take up that matter with the Commissioner for Prices to make sure that officers of the department are fulfilling their responsibilities appropriately.

COMPANIES AND SECURITIES REGULATION

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Attorney-General a question about companies and securities regulation.

Leave granted.

The Hon. K.T. GRIFFIN: Elements of a compromise between the Governments of the Commonwealth and the States on the regulation of companies and the securities industry have dribbled out into the public arena over the past few months. In essence, from what has been reported, it appears that the Commonwealth comes out of it with ultimate control of the policy and law relating to companies and securities and that States like South Australia will suffer.

One of the suggestions I have heard is that to implement whatever compromise has been arranged there will have to be legislation in all Parliaments adopting the same mechanisms as are in place for the existing cooperative scheme. If that is so, it seems strange that the States gave away so much to the Commonwealth in the face of its bullying and threats. My questions to the Attorney-General are:

1. What are the full details of the compromise and why have they not yet been released publicly?

2. What is the mechanism for implementing the compromise?

3. Is State legislation required? If it is, when will that be available for public scrutiny?

The Hon. C.J. SUMNER: The details have been made public. Certainly I have spoken about them publicly. If the honourable member wants details of it, I am happy to provide him with them as regards the speeches that I have made about it. However, that may not be necessary because, as he has asked me the question, I will give him the details, at least in general terms.

The compromise which has been arrived at between the Commonwealth and all the States and the Northern Territory is that the Commonwealth Parliament will have legislative power over what I have described as the commanding heights of companies and securities regulation—takeovers, public fundraising, the futures industry, and the like. That will be the exclusive legislative power of the Commonwealth.

The other areas of incorporation and internal management will be the responsibility of a continuing cooperative scheme. The Ministerial Council will remain in place and it will have a deliberative role to play in determining what legislation is put before the Commonwealth Parliament in that area. The Commonwealth will have a weighted vote in its favour in the Ministerial Council and will not be obliged to put forward any proposals with which it disagrees.

The administration will be conducted by the Australian Securities Commission. That will be a completely Commonwealth agency and its employees will be employed by the Commonwealth. It will be responsible to the Commonwealth Attorney-General who, in turn, will be the permanent chair of the Ministerial Council.

At present, the areas of building societies, credit unions, cooperatives and business names will remain in the State and a separate State business office will have to be established to administer those areas, provided that they remain with the State. I personally believe that we are now heading in the direction of national uniformity in those areas, and I would also suggest national legislation and possibly national administration, because, if the Commonwealth has effective control through the ASC over companies and securities, it seems to me that it is probably logical and more efficient for those other organisations to be regulated nationally. However, that is not the current agreement. The current agreement is that those areas will remain to be regulated at State level. That is the scheme in general.

In November 1988 the South Australian Government, initially through me, put forward a compromise proposal which was similar to the one that I have outlined, except that in my proposal the Corporate Affairs Commissions remained in place and acted as agents to administer the legislation through the Australian Securities Commission.

However, my compromise did give legislative competence to the Commonwealth Parliament in the areas of the securities industry, public companies, fundraising, and so on. So, in that sense, the scheme that has currently been agreed to is the same as that which I proposed in November 1988. But, of course, there was a significant difference in the November 1988 proposal in that the Corporate Affairs Commissions would have remained in place.

At the time I put that proposal forward, it was not acceptable to the Commonwealth, and it proceeded with its complete Commonwealth takeover of the area with complete Commonwealth legislation and administration through the ASC. I should say, however, that that compromise was also unacceptable at that time to some of the other States, in particular, it was not acceptable to New South Wales, Western Australia and Queensland. It is regrettable that at the time the States were split and unable to agree, even on the compromise which I put up in November 1988 and which, in my view, was the best method of retaining greater control of this area in South Australia. Regrettably, because the other States would not agree to it, the Commonwealth felt that it was able to go ahead with its national scheme.

I believe that, had the other States agreed with me at that time, this problem could have been sorted out then, and the States would have been in a better position than they currently are. However, because of the attitude of New South Wales, Queensland and Western Australia at that time my compromise proposal was not picked up unanimously by the States and, therefore, was not acceptable to the Commonwealth.

The High Court challenge to the legislation and, in particular, to the Commonwealth Parliament's power over incorporation was heard and determined in favour of the States. Of course, that meant that the Commonwealth did

not have the legislative coverage that it had sought and, if it had succeeded in getting legislative coverage over incorporation and internal management, almost certainly the States would have had to refer their powers to the Commonwealth.

The fact that the Commonwealth lost the case meant that the States were at least in a position to negotiate further, but in those negotiations the Commonwealth was adamant that it was not prepared to have the current scheme of separate Corporate Affairs Commissions operating in the various States, even if those Corporate Affairs Commissions were acting as agents of the Australian Securities Commission. Accordingly, no agreement could be reached.

The movement to get agreement on this matter eventually came—after a further compromise that I had put forward—because New South Wales, under Liberal Premier Greiner, and Victoria, under Labor Premier Cain, got together and proposed something which was similar to what was eventually agreed to and which was based on the original proposal that I put forward in November 1988.

The reality was that once those two States had agreed—given that they accounted for about 70 or 80 per cent of the company registrations in Australia—the smaller States were left without an effective bargaining position. In any event, I think it was in the national interest that we reach an agreement in relation to this matter.

Certainly, it was put to us by the New South Wales Government and others that Australia's reputation overseas was being severely damaged by the continual bickering and fighting over the future of the companies and securities regulations in this State, and in the light—

An honourable member interjecting:

The Hon. C.J. SUMNER: No, it wasn't nonsense. It was nonsense to blame the defects of the cooperative scheme for the company collapses and the uncertainty that was seen overseas. I certainly have put that firmly as a view previously. But, there seems to be no doubt that, for whatever reason, and whether or not it is justified, overseas investors and overseas Governments were concerned about the failure of Australia to come to an agreement on the future of the companies and securities regulations in this country. That was put to us. That was certainly the view of the New South Wales Government and the Commonwealth Government and, in the national interest, it was imperative that we got to an agreement, which we did in Alice Springs about five weeks ago.

The heads of agreement were drawn up at that meeting and were agreed to by all Ministers present. However, of course, those heads of agreement will have to be ratified by the individual State Cabinets, and then legislation and another formal agreement will have to be drafted, because it was crucial—as, indeed, it was crucial to my proposal in November 1988—that the current legislative device that underpins the cooperative scheme should continue so that there will be no continuing constitutional uncertainty about this area in future. The cooperative scheme legislative device, which means that the Commonwealth legislation passed through the ACT is picked up automatically in the States, has stood the test of time during the past 10 years and, therefore, seems beyond constitutional challenge.

So, constitutional certainty will be provided by the cooperative scheme device. This means that, in addition to the State Government agreeing to the heads of agreement that have been drawn up, and the preparation of a formal agreement, which will be signed by Ministers, there will also need to be legislation that will come before the Parliament. It has been agreed, if this can be achieved, that the scheme will commence on 1 January 1991, so legislation will be introduced during this session of Parliament, and it may be that Parliament may have to sit later in December than normal in order to pass this legislation.

In all the circumstances, given the history that I have outlined, the agreement that we have reached at least retains some power to the States: the ministerial council remains in place for consultation on those issues that are exclusively Commonwealth responsibility and for deliberation on those areas that remain within the purview of the cooperative scheme. So, although the Commonwealth wanted to take over the whole area of legislation and administration, it has not achieved that objective, and a revised cooperative scheme has been agreed on with, of course, greater Commonwealth legislative power and administrative control but, nevertheless, with the States still having a say in this area of regulation.

ARTS BUDGET

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister for the Arts a question about the 1990-91 arts budget.

Leave granted.

The Hon. DIANA LAIDLAW: I refer to a minute marked 'confidential' to the Under Treasurer from the Director of the Department for the Arts (Mr Len Amadio), dated 13 March 1990, in relation to the department's budget for 1990-91. In the minute, which has been forwarded to me anonymously, the Director expresses his alarm—

Members interjecting:

The Hon. DIANA LAIDLAW: The department seems to be upset, as members will hear in a moment. In the minute—which, as I said, has been forwarded to me anonymously—the Director expresses his alarm that Treasury is proposing to cut a further $880 000 from the arts budget this year and that such a cut is contrary to the Government's commitment outlined in its arts policy released by the Minister prior to the last election 'to continue to support the arts in South Australia'. The minute begins as follows:

> As you know, as a part of the 1989-90 budget the Government agreed that arts could defer budget cuts totalling $370 000 until 1990-91. From the Under Treasurer's advice it would now appear that in addition to these cuts the arts portfolio will also be asked to achieve a further 1.5 per cent 'productivity efficiency'. This equates to a possible further cut of $510 000.
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> In all, cuts totalling $880 000 may be required in 1990-91 . . .
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> This would represent the fifth successive year arts has been asked to make budget savings. Over the past four years around $2.5 million has been cut from what arts could have otherwise expected to receive by way of a no policy change commitment budget. This represents a real terms reduction of approximately 12.5 per cent in arts funding . . .
>
> I am concerned that Treasury's current budget strategy will cut up to $800 000 from the current arts allocation—with cuts of up to $400 000 per annum likely in subsequent budget periods.
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> If that eventuates, it must have an adverse effect on the Government's arts programs during the next three or four years. As such, it would be difficult to sustain the general thrust of the Government's arts policy—to continue to support the arts in South Australia. [Mr Amadio's underlining.] By that time, most arts organisations/programs/activities will have been cut in the order of 10 per cent. My department will endeavour to minimise the effect but real term cuts of 10 per cent or more are unlikely to translate into 'continued support for the arts'.

Finally, Mr Amadio says:

> My assessment of the current situation at the South Australian Museum and Art Gallery of South Australia (and other arts organisations) is that their capacity to perform and achieve is well below the levels inferred in the Government's arts policy. Further cuts will aggravate the situation. Consequently, rather than offer any savings from 'the arts', I am advocating increased funding.

I ask the Minister the following questions:

1. Can the Minister confirm that over the past four years the Department for the Arts has experienced a reduction in real terms of 12.5 per cent in arts funding?

2. Does she share the view of her Director, Mr Amadio, that such a cut undermines the Government's stated commitment in its arts policy—which, as I said earlier, the Minister released prior to the last election—'to continue to support the arts in South Australia'?

3. Is she aware whether the Director's plea to the Under Treasurer to reconsider a proposal to cut a further $880 000 from the arts budget this financial year was successful in overturning the proposal?

4. If not, what strategy has she asked the department or what advice has she accepted from the department to help arts organisations in South Australia weather a further cut in their funding base this financial year?

The Hon. ANNE LEVY: The honourable member must think that I was born yesterday! Obviously, matters related to the forthcoming budget are not discussed until the Treasurer brings down the budget. I am sure that the honourable member will be able to examine—

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! Order! The honourable Minister.

The Hon. ANNE LEVY: Any questions relating to the forthcoming budget will, I am sure, be answered when the Premier brings down the budget later this month. The budget contains a section which is concerned with the arts, and I am sure that the honourable member will be the first person to turn to that page to see the implications for the arts in the forthcoming budget.

The document from which the honourable member is quoting is the same one from which she quoted on the ABC last week, without indicating its source, of course, at that stage. She made sure that she had the protection of Parliament before indicating the source of the minute from which she is quoting.

Members interjecting:

The PRESIDENT: Order! The honourable Minister.

The Hon. ANNE LEVY: I can assure the honourable member that I and all members of the Government are aware of the importance of the arts and the various arts organisations in this State and that, along with many other worthwhile activities in our community, they have our wholehearted support. I am sure that, as with every other member of the South Australian public, she can withhold her impatience until the Premier brings down the budget.

PROSTITUTION

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General a question about prostitution.

Leave granted.

The Hon. I. GILFILLAN: The campaign against Adelaide prostitutes—

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Gilfillan has the floor. The Hon. Mr Gilfillan.

Members interjecting:

The PRESIDENT: Order! Members will come to order. The Hon. Mr Gilfillan has the floor.

The Hon. I. GILFILLAN: Thank you very much, Mr President. It seems to me a fairly competitive exercise, holding the floor.

The PRESIDENT: I agree.

The Hon. I. GILFILLAN: The campaign against Adelaide prostitutes and brothel owners that has been waged in recent months by elements within the South Australian Police Force has begun to have an effect. It appears, however that there is a considerable divergence of opinion on just what that effect has been, with the police claiming significant success in forcing the closure of a number of brothels. On the other hand, brothel owners, the Prostitutes Association and many individual members of the industry claim the police action has had a deleterious effect.

Although it does appear to have forced the closure of many brothels, it is also apparent that it has forced scores of prostitutes from the relative seclusion of suburban brothels onto public streets and hotels. Although prostitution carries criminal penalties in South Australia, an issue which in itself is debatable, the existence of brothels does play an important part in the process of self-regulation of the industry. Brothels help remove prostitution from the streets, allow owners to monitor closely the health of their employees, reduce the risk of infectious diseases, in particular AIDS, by encouraging the use of condoms, and minimises the potential violence that often accompanies street prostitution.

There is little doubt that prostitution cannot be eliminated, no matter what action is taken by police and, therefore, the question arises as to the long-term effectiveness of any police action. In recent months a considerable amount of police resources has been diverted into a 'crackdown' on Adelaide's brothels, yet the indication is that, far from reducing the activities of prostitutes, it has simply pushed the problem into hotel rooms and onto the streets of Adelaide. I ask the Attorney-General the following questions:

1. Is it Government policy to try to eliminate prostitution; if not, what is the policy?

2. Does the law reflect this policy and is the law effective?

3. Are there any changes the Attorney-General would like to see to the current legislation on prostitution?

4. Does he believe that police raids and confiscation of condoms at brothels is assisting this policy?

The Hon. C.J. SUMNER: The Government policy to which the honourable member has referred is, in fact, the legislative policy agreed to by Parliament. Legislation is in place in relation to brothels in South Australia. There have been two attempts to change it in the past 11 or 12 years, neither of which has been successful. A Bill in the House of Assembly was defeated in 1980, if my recollection serves me correctly.

The Hon. I. Gilfillan: By one vote.

The Hon. C.J. SUMNER: Yes, but the defeat of legislation by even one vote counts, and the Hon. Mr Gilfillan may have realised that, after his many years in the Parliament. In order for legislation to be passed, it needs a majority in both Houses.

In the House of Assembly in 1980 a Bill to decriminalise prostitution was not passed by the Parliament and a similar attempt in this place a few years ago also did not proceed, because it became clear that at that time there was not majority support within the Parliament for a law to decriminalise prostitution. Whether or not the honourable member likes it, the law remains in place. The Government does not have a policy separate from the law. The law and how it is enforced is a matter for the Police Commissioner unless the Government or the Governor in Executive Council gives the Police Commissioner specific directions, as he is entitled to do, and those directions are tabled in the Parliament when they are given. However, in the absence of such directions the Police Commissioner has a responsibility to administer the Police Force and to pursue breaches of the

law. I assume that, if there is a Police Department policy to crack down on brothels, it has emanated within the Police Department.

At this stage the Government does not have any proposals to change the law in this area. It seems that there are two ways that one could go: first, the decriminalisation route, which has been tried on two occasions and has failed; and, secondly, tightening up the laws relating to prostitution. In relation to that aspect, another area canvassed is to make clients of brothels guilty of a criminal offence. So far, however, the Parliament has not taken steps either to toughen up the law or to decriminalise prostitution. Certainly at this stage no proposals are before the Government to deal with that issue.

The Hon. I. Gilfillan: Would you like to see some changes?

The Hon. C.J. SUMNER: I will not express my personal view on the topic as a member of Government. If legislation is before the Parliament then, obviously, I would do so. As the Hon. Mr Elliott points out, this topic is considered to be a conscience issue for members or at least for members of majority Parties in the House. That view was indicated previously when this matter came before the Parliament in 1980.

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: I will not give an opinion at this stage. If I do give an opinion, it will be a Government view of the matter as I have already done in stating that the Government does not have any proposals before it presently to look at this issue. If the Parliament wants to test the water on legislative change, as it has done previously, then members are fully entitled to express their views and they have the forum in which to do so. It may be that inquiries currently being carried out by the National Crime Authority into alleged corruption in the prostitution industry and the relationship of public officials, including police officers, lawyers and politicians, may give some guidance in its report as to legislative reform in this area. Certainly, at present, the position is that the law remains as it has been now for many years and it is a matter for the police within their charter to enforce that law.

SPEED LIMITS

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister of Transport a question about Main North Road speed zones.

Leave granted.

The Hon. PETER DUNN: I declare that I still have 12 demerit points to lose. It has been reported to me that a number of people have been picked up for speeding on the Main North Road between Gepps Cross and Cavan. I took note of what was occurring, because I travel that road frequently. I noticed radar traps four out of five times that I have travelled the road in the busy period in the morning or the evening. From the city centre to Gepps Cross, the speed limit is 60 km/h. Just past Gepps Cross on what is a two-lane road, past the abattoirs and hockey ground the speed limit increases to 80 km/h until just after the old railway line that goes through Gepps Cross where the speed limit decreases to 60 km/h. It increases again after the turnoff to Technology Park.

The section of road where the limit is 60 km/h is divided and is much wider than the section through Gepps Cross where the limit is 80 km/h. It lulls people into a false sense of security. Motorists travel at 80 km/h, the road widens and divides but the limit drops back to 60 km/h. On the western side of the road are two beautiful trees—peppercorns or *shinus molle*—which provide an excellent cover for a radar trap. On three of the four occasions I have taken note of this section radar has been behind the cover and, further down the road, the police pull up motorists. This zoning appears to be, in the main, a revenue raiser for the Government. It appears to be nothing more than a trick trap for a number of motorists and I have had many complaints about this section. My questions to the Minister are:

1. How many speeding tickets have been issued in the past 12 months on this section of road?

2. Is there any other section of road in the metropolitan area less than a kilometre in length where the number of speeding tickets issued exceeds those issued on the identified road?

3. Will the Minister have the speed limits on the identified section of road examined and amended to an even speed limit?

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

BEER PRICES

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Small Business a question about the price of the humble schooner.

Leave granted.

The Hon. L.H. DAVIS: This week the cost of a humble schooner of beer has risen to $1.45. This represents a massive 12.4 per cent increase over the price of $1.29 in August 1989. This increase of 12.4 per cent is about double the rate of inflation in South Australia over the past year. Exactly seven years ago, in 1983, the price of a schooner in the front bar of an Adelaide hotel was just 73 cents.

In August 1990, the price of the humble schooner is $1.45, double what it was seven years ago—an increase of 99 per cent to be precise. I am sure that this is a matter of interest to you, Mr President. In the same seven-year period, 1983 to 1990, the consumer price index for Adelaide, the figure which measures the average movement in prices, rose by just 60 per cent.

What is the reason for this huge price hike? It is simply that Federal and State Labor Governments are happy to tax the beer drinker out of the front door of the pub. It is useful to look at the causes of the 16c increase per glass of beer over the last year: 2.3c goes to the Federal Government for excise; .8 of a cent goes to the Federal Government for sales tax; and .5 of a cent goes to the State Government for the 11 per cent State licensing fee, which, incidentally, is calculated after prices are adjusted for the Federal excise. So, a total of 3.6c of the 16c increase or 23 per cent, is creamed off by Federal or State Governments.

An amount of 2.4c goes to the wholesaler and the remaining 10c goes to the hotel. That 10c represents only a 7.75 per cent increase which has to cover a 7 per cent increase in wages over the last year, but does not take any account of the 32 per cent increase in WorkCover levies, which hotels have had to suffer over the last two years (an increase from 2.8 per cent to 3.7 per cent); generally massive increases in land taxes, and continuing crippling high interest rates.

The compounding effect of this twice yearly adjustment to beer prices means that beer prices will always increase faster than the rate of inflation. It is a regressive tax which discriminates against low income earners. Liquor taxes collected by the Bannon Government have increased by a staggering 128 per cent in the last 7 years, from $18.9 million in 1982-83 to an estimated $43.1 million in 1989-

90. This additional tax slug, as the Minister would be well aware, is obviously hurting the hospitality industry, penalising many small businesses and hitting beer drinkers.

My questions to the Minister, with her hat on as Minister of Small Business and no doubt with her hat on the side as Minister of Tourism, are as follows. Is she aware of this massive increase in beer prices? Is she aware that it is having a deleterious effect on the hotel industry and the hospitality industry generally? Has she made any representations to the Federal Government and the Premier and Treasurer about this important matter?

The Hon. BARABARA WIESE: I have not made representations to the Federal Government about this matter. In fact, if the honourable member bothered to do his research on the price of beer in South Australia, he would find that, traditionally, South Australia has the lowest price of beer of any State in Australia. It is because of the price control measures that have applied in South Australia at the retail level in front bars and retail shops, that this in fact has been so.

It is true that both State and Federal Governments apply taxes in this area and I cannot see in the foreseeable future that these taxes are likely to be removed. It is a fact that Governments benefit quite considerably from the taxes applied in this area and a whole range of Government services are financed from the taxes that apply here.

The honourable member should also be aware that there is a considerable body of support within the community that would want to encourage Governments to tax alcohol of all kinds even higher than currently applies in order to do something about the growing health problems that derive from excessive alcohol consumption. The South Australian Government has taken a very responsible view on the question of alcohol consumption and taxes that apply and has tried to put a reasoned and responsible argument on the question of taxes that apply to alcohol, and also encourage people within the community to make appropriate distinctions between the evils of inhaling cigarette smoke as opposed to the consumption of alcohol and the relative deleterious effects on health which those two substances can bring to members of the community.

So, I believe that this Government, at the State level, has taken a very responsible view on the question of taxes on alcohol and the fact that, in recent times, in Australia there has been a drop in the level of alcohol consumption has had very much more to do with people recognising the health effects of excessive imbibing than with the price of alcohol.

SOUTH AUSTRALIAN FILM INDUSTRY ADVISORY COMMITTEE

The Hon. ANNE LEVY: I seek leave to have incorporated in *Hansard* without my reading it a reply to a question which the Hon. Diana Laidlaw asked in the Council yesterday.

Leave granted.

The Hon. ANNE LEVY: Further to the details provided to the Council yesterday in relation to this question, I provide the following information.

The bank of talented filmmakers and associated technicians and actors is not large in South Australia. Accordingly, when considering appointments to the South Australian Film Industry Advisory Committee, it is inevitable that there is a potential for occasional conflicts of interest. Accordingly, SAFIAC has a clear policy on this subject, which is as follows:

Members of the committee or the Script Assessment Panel may apply to the Film and Television Financing Fund for investments in film projects but must declare their interest to the panel. A member must not be present when applications in which he or she has an interest are discussed and recommendations reached. Committee papers relating to such projects will not be sent to the member involved and the member may not address the meeting on the project unless specifically requested to do so by the Chair.

I have been assured that this policy is strictly adhered to. The inference that SAFIAC Chair, Rob George, and Project Officer, Anni Browning, have somehow gained an advantage as a result of their respective positions is totally scurrilous. The simple facts are: Rob George has brought to South Australia the largest independent production yet produced by a South Australian. It is the four-hour mini-series *River Kings* based on the novels by Max Fatchen. SAFIAC's decision to invest $200 000 in the series was a demonstration of the significant State support for the project and successfully leveraged approximately $3 million dollars of Australian Film Financing Corporation and other interstate investment. In my view, this represents a responsible investment in line with the stated aims and objectives of SAFIAC.

Anni Browning, during her part-time employment with the department, has only received one script development investment through SAFIAC, for the telemovie *Interference*. In accordance with SAFIAC policy she was not present at the meeting where this investment was recommended.

SAFIAC agreed to send a representative to a film expo to mount a joint initiative with the South Australian Film Corporation. The purpose of this venture was to attract overseas production to South Australia. It should be noted that all other State film bodies also participated in the Expo. The process leading to the selection of Ms Browning was carried out in an open and consultative manner. Nominations were called from all sectors of the industry and after lengthy consideration Ms Browning was selected. The Film Corporation was also represented.

The South Australian Film Corporation approached SAFIAC to invest in the Japanese children's television series *Ultraman*. SAFIAC, after lengthy consideration, made the decision that given the availability of funds, the amount of work and experience which would be gained by local technicians from an investment would be in keeping with the brief to support the local industry. Furthermore, a favourable recoupment position was negotiated.

The Hon. ANNE LEVY: I seek leave to table the Script Development Guidelines for Applicants from the South Australian Film Industry Advisory Committee, the Production Investment Guidelines of the South Australian Film Industry Advisory Committee, the Policy Guidelines of the South Australian Film Industry Advisory Committee, and the Guidelines for the South Australian Film and Television Financing Fund.

Leave granted.

WASTE RECYCLING

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister of Local Government, representing the Minister for Environment and Planning, a question about waste recycling.

Leave granted.

The Hon. M.J. ELLIOTT: The Government recently released a recycling strategy for South Australia in draft form for public comment. The strategy has been criticised by a number of people because they say that it has omitted several important aspects of recycling.

Any recycling strategy is incomplete without an attempt to minimise waste as well as to recycle the waste that is

produced. These people argue that the Government's proposed strategy concentrates solely on what to do with waste, which is admirable, but does not tackle the more important question of why the waste is being produced to begin with. Making products to last longer is one way of combating the 'throw away' attitude of our society and reducing the amount of waste requiring recycling. Surplus packaging is a clear example of this. A related issue is appropriate materials. Some materials are more easily recycled than others and require less energy and produce less pollution in the process.

During the formulation of the Government's proposed recycling strategy, the Greenhouse Association of South Australia submitted a detailed argument for the adoption of a city-wide, comprehensive collections and disposal system of separated waste, as Adelaide's sole waste disposal system. The response from the Recycling Advisory Committee was that this was idealistic and lacked economic justification. The committee suggested that the group should go away and cost the proposal and submit it for consideration. The group has neither the resources nor the expertise to do that and has asked me why it should have to do so when, in fact, it is one of the more obvious strategies that could be adopted. It wants to know why the recycling committee itself has not costed such proposals. My questions are:

1. What work, if any, has been done to investigate the viability of a city-wide waste system?

2. Did the committee accept only fully costed proposals from other groups and discount ideas presented which did not have comprehensive economic analysis?

3. Why have not the issues of waste minimisation and appropriate materials been addressed in the process of formulating the recycling strategy?

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

WORKCOVER

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

1. That a Select Committee of the Legislative Council be established to consider and report on the operation of the Workers Rehabilitation and Compensation Act and its administration.

2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the Council.

4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

This motion has its origins in the debate in the Legislative Council in the last session of Parliament when there was legislation to increase from 4.5 per cent to 7.5 per cent the maximum levy payable on salaries to WorkCover. Members may recall that at the time I moved for the Bill to be referred to a select committee before such an increase was passed by the Parliament. That was not successful, but I indicated that the Liberal Party would continue to push for a select committee because we believed it was an appropriate time for the whole operation of WorkCover and its impact on the business community to be reviewed. At the same time, the Hon. Mr Gilfillan indicated that, whilst he did not support a select committee at that time, he was prepared to support a select committee in this session because he believed it would then be appropriate to assess three years of operation.

We constantly read in the media criticisms of WorkCover. All members on this side of the Council receive constant complaints about the administration of WorkCover. Since the implementation of the new bonus and penalty scheme constant inequities have been drawn to our attention. There are criticisms of the rehabilitation system and allegations of rorts in that system. There is complaint about a lack of surveillance by WorkCover, a lack of control over claims and a lack of capacity to require injured workers to return to work. As a result, employers are constantly perturbed by the costs that they incur under the WorkCover scheme, paying not only the first week off work but also the substantial levy.

We are also concerned that the unfunded liability is blowing out. I think that the latest figure is about $90 million. Whilst the maximum levy was increased in the last session of Parliament, there is concern on this side that not only must employers address the issue of workplace safety and meet their liabilities but that the administration of WorkCover must be tight and efficient, with every opportunity taken to ensure that no unreasonable or unjustified claims are met by WorkCover.

To his credit, Mr Owens, the new General Manager of WorkCover, has endeavoured to bring the mess under control. He has undertaken a much more vigorous approach to appeals, the most recent being in relation to stress-related claims. But I suggest that that is not sufficient and that this Parliament ought to be looking carefully not only at the way in which WorkCover is structured and administered but also at the very essence of the legislation.

There are a number of other matters to which I wish to refer during the course of my moving of this motion and I need to have further discussions with my colleague in another place, Mr Graham Ingerson, the shadow Minister responsible for WorkCover. In consequence, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

SOUTH AUSTRALIAN FILM CORPORATION

The Hon. DIANA LAIDLAW: I move:

1. That a select committee of the Legislative Council be established to consider and report on—

(a) the circumstances surrounding both the appointment and resignation of Mr Richard Watson as Managing Director of the South Australian Film Corporation;

(b) options for the future of the corporation; and

(c) all other matters and events relevant to the maintenance of an active film industry in South Australia.

2. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

The motion is in two parts. It looks to the past, at one time glorious, but more recently sordid and clouded in secrecy. It also looks to the future of the film industry in this state for I believe most emphatically it is in the state's interests that an active film industry, based on a sound working relationship between the South Australian Film Corporation and the independent film sector, is re-established in South Australia.

Mr President, I have resorted to calling on the Legislative Council to establish a select committee to consider both these matters because both impartial observers and active participants in the film industry in this State have lost confidence in the capacity, commitment and vision of the Bannon Government to undertake such a responsible task.

To put the motion in context it is important that I relate some background information. The South Australian Film Corporation was established in March 1972 as a defiant act of political will by the former Dunstan Government. At that time there were no Australian precedents. Also there was virtually no local production base. Subsequently, Queensland, New South Wales, Victoria and Tasmania established corporations and Western Australia established a Film Council, but none followed our model. For instance, in New South Wales and Victoria, which both enjoyed a local production base, the respective corporations operated in part as banks dispensing funds to local film makers.

The South Australian Film Corporation was given a charter to produce, distribute, exhibit and market films of high merit which would project South Australia in a national and international arena, while concurrently assisting the development of a commercially viable film industry in the State. Inherent in these objectives was the need for training in creative roles—writing, production and direction—plus the expectation that after a few years of Goverment support the industry would be able to stand on its own feet financially.

During the first five years of operation the level of production suggested that the corporation's strategy for developing a film industry was sound. Some 20 to 30 documentaries were produced each year. More than half used exclusively South Australian cast and crew and many were produced by independent companies with the South Australian Film Corporation retaining the role of Executive Producer. Also the corporation began producing high profile feature films commencing with *Sunday Too Far Away* in 1974 followed by *Picnic at Hanging Rock*, *Breaker Morant* and *Storm Boy*. Each gained national and international acclaim and established for the corporation an important and respected place in Australia's film industry.

During these buoyant years the South Australian Government allocated grants to the South Australian Film Corporation to meet establishment and operating costs. In addition, the corporation took out Goverment guaranteed loans to finance the cost of film production. However, by June 1978 the liabilities on these loans totalled $3.53 million—a deficit which increased pressure on the corporation to move into television production, an area considered to have greater commercial marketability.

Also in the year 1978 the Government agreed to pay the interest cost on the corporation's borrowings. Nevertheless, debt levels continued to rise and in 1984 the Government capitalised accrued loans of nearly $6 million and undertook to provide support in the form of an ongoing administrative grant which has remained at approximately $500 000 per annum since 1985. It was increased to $706 000 in the last financial year. I seek leave to incorporate in *Hansard* a table detailing the South Australian Government's subsidy to the corporation and the level of debenture liability for the years 1972-73 to 1988-89.

Leave granted.

SOUTH AUSTRALIAN FILM CORPORATION
SA GOVERNMENT FUNDING 1972-73 to 1988-89 AND DEBENTURE LIABILITY

June Ending	Operating $	Long Term Debenture Loan liability $	Debenture Interest $	Other $	Total Government Funding $
1973	25 000	400 000			25 000
1974	100 000	800 000			100 000
1975	26 000	1 300 000			26 000
1976	80 400	1 694 110			80 000
1977	80 400	2 479 739	157 656		238 056
1978		3 053 577	245 476		245 476
1979		3 011 962	65 000		65 000
1980		3 462 649	314 979		314 979
1981		4 392 837	387 000		387 000
1982		4 678 042	421 509		421 509
1983		4 631 117	443 000		443 000
1984		4 731 716	559 611		559 611
1985	550 000	5 969 716	248 524	5 969 716	6 768 240
1986	578 000				578 240
1987	595 000				595 000
1988	544 000				544 000
1989	500 000				500 000
1990	706 000				706 000

Source: South Australian Film Corporation. Strategic and Production Plan 1989-1992.

The Hon. DIANA LAIDLAW: From about 1986, the SAFC found itself in an increasingly precarious financial position. Certainly changes in Federal tax legislation (section 10BA) threw the whole Australian film industry into a slump, and the corporation was not immune to this upheaval. However, it would be a mistake to slate all the blame for the corporation's woes to those tax changes, as the corporation's own management decisions—decisions accepted by the then Arts Minister Bannon—have played a key role.

It is widely acknowledged in the film industry at this time that, for the corporation to operate at a level of subsidy of about $500 000, it had to complete a minimum of two major productions a year, with budgets totalling about $12 million. Yet in-house productions were allowed to fall well behind this minimum schedule. Since 1982 the corporation has completed only two feature films, *Run Christie Run* in 1984 and *Playing Beatie Bow* in 1986. Also, there was a major break in production between *Playing Beatie Bow* (1984-85) and *The Shiralee* (1986-87) and again between *The Shiralee* and the second half of 1988. In fact, in the years 1987-88 and 1988-89 production budgets deteriorated to a dismal $2.5 million—far behind the $12 million that I mentioned earlier as being accepted as necessary if the corporation was to operate at a $500 000 level of subsidy.

But, the corporation's problems did not end there. Its capacity to generate income falls almost exclusively on its

success in distributing its films, and any success in this respect is dependent upon the perceived marketability of the product. Yet, since 1982, the corporation was not only producing few films to distribute, but what it did produce proved to be neither critically nor financially successful. *Run Christie Run*, for instance, was a critical and financial failure, and I understand that *Robbery Under Arms* has returned only a dismal 10 per cent of budget. I seek leave to incorporate in *Hansard* a table noting SAFC productions from 1980 to 1988.

Leave granted.

SAFC PRODUCTIONS SINCE 1980

Production	Writer	Producer	Director
Sara Dane	Alan Seymour	Jock Blair	Rod Hardy Gary Conway
Under Capricorn	Tony Morphett	Jock Blair	Rod Hardy
Fire in the Stone	Graeme Koetsveld	Pamela Vanneck	Gary Conway
Run Christie Run	Graeme Hartley	Harley Manners	Chris Langman
Robbery Under Arms	Tony Morphett Graeme Koetsveld	Jock Blair	Don Crombie Ken Hannam
Playing Beatie Bow	Peter Gawler	Jock Blair	Don Crombie
The Shiralee	Tony Morphett	Bruce Moir	George Ogilvie

The Hon. DIANA LAIDLAW: In these circumstances it is hardly surprising that in March 1988 the Department for the Arts had to step in. It commissioned Ms Sue Milliken, an independent film producer from Sydney, to undertake a review of SAFC. Ms Milliken's report, completed on 29 April 1988, was highly critical of the corporation's operations and recommended a range of constructive proposals to help the corporation re-establish its position in the film making area by increasing and diversifying its output and facilitating the growth of a commercially viable local film industry.

For reasons known only unto itself, the Bannon Government has never acted on the Milliken recommendations, although I do note that the Minister said yesterday that she had appointed two film producers to the board—

The Hon. Anne Levy: As recommended—

The Hon. DIANA LAIDLAW: —as recommended in the Milliken report; nor has the Government made the Milliken report public, a matter which I raised with the Minister yesterday. The report, however, is an important document in the context of the troubles that beset the corporation at the present time, including the fact that independent film producers continue to be disillusioned with the corporation's manner of operation. The report also supports the widely held contention in film circles that if former Arts Minister Bannon or present Minister Levy had had the courage and foresight to act sometime over the past 18 months the acknowledged problems at the corporation would not have been allowed to fester to the point of crisis where today or last week Minister Levy believed she had no other option but to demand change under the threat of closing down the corporation.

Certainly, with the Milliken report the Bannon Government had at hand a blueprint for action if it cared to endorse or act on all, or even some, of the recommendations. But it chose not to do so, and I suggest that the Parliament should question why not! In that questioning process, I seek leave to table a copy of the Milliken report.

Leave granted.

The Hon. DIANA LAIDLAW: If and when honourable members have an opportunity to read the Milliken report, they will note that Ms Milliken's overriding concern was the fact that during the 1980s the corporation had not encouraged a diversity of ideas, markets or creative talent. On page 25 she states '... it is seven years since there has been any fresh blood.'

Ms Milliken was particularly concerned about the lack of fresh blood in respect of the Drama Production Unit, which since 1982 had been the responsibility of Executive Producer Jock Blair. She notes that tenure and film producing do not sit comfortably together and, further to her belief that the Drama Department must be reorganised to stimulate a diversity of creative vision, recommends that Mr Blair's contract not be extended after its expiry in March 1990. Likewise, she recommends that the position of Drama Producer be abolished (a position held by Mr Bruce Moir since 1984 after he joined the SAFC as a documentary producer in 1978) and that the policy of long-term contracts for an in-house script editor be discontinued (a position held by Mr Peter Gawler, who joined the SAFC in 1981).

In relation to the Drama Department, Ms Milliken also records her disquiet that it does not exhibit any interest in local talent and that local talent will no longer even try to sell itself to SAFC. Specifically, she refers to the production *Grim Pickings* where in spite of '... quite impressive recent work by at least two South Australian directors, Mr Blair was not prepared to consider them for the production'. This is a shocking indictment, especially considering the corporation's obligations to assist the growth and development of a local film industry. But again this is not a matter that the Government has sought to address in recent years, and again it is a matter where this Parliament should pose the question, 'Why not?'

Ms Milliken also recommended a range of other changes to the organisational structure of the corporation, including an increase in the size of the board from six to seven in order to include a local film maker and a person with a television network or film distribution background; abolition of various full-time positions, including that of legal adviser and marketing manager; and the creation of a number of contract positions, including Head of Production, Head of the Documentary Division and Head of Administration and Business Affairs. The Government, however, opted to place all these recommendations in the too-hard basket, although, as I acknowledged earlier, the Minister has appointed people with the characteristics recommended to the board by Ms Milliken in the past few months.

If the Government was loath, for whatever reason, to tackle reforms at the corporation, as recommended by Ms Milliken, it has yet to explain why it was not prepared to address Ms Milliken's recommendations in relation to the organisation of both the Government Film Committee and the South Australian Film Financing Advisory Committee. The Government Film Committee, administered by the corporation, receives an annual grant of $750 000 to finance virtually all sponsored films for State Government departments. Ms Milliken considered it inappropriate that representatives of Government departments who are in theory competing for funds should sit on the committee, and recommended that the committee be reorganised to comprise the proposed new positions of SAFC Head of Production and Head of the Documentary Division, plus an independent film maker and a representative of the Premier's Department. These important changes have not been introduced.

Nor has the Government implemented Ms Milliken's recommendations in relation to SAFIAC. SAFIAC was originally set up as an advisory committee on the South Australian film industry. The committee comprises representatives of the Writers Guild, the Australian Theatrical and Amusement Employees Association, Actors Equity, the South Australian Film Producers Association, the Department for the Arts, Treasury and the Managing Director of SAFC. The committee administers the State Film and Television Financing Fund, which aims to support inde-

pendent mainstream film makers with grants from an annual allocation of $750 000 per annum for script development and distribution guarantees. Ms Milliken recommended that the committee be reconstituted to comprise members practising in the various film crafts, all of whom should have proven creative skills—rather than union representatives—and that the members be appointed for no more than two years. Also, for good reason, she questioned the Government's rationale for operating two film industry support funds (and I have already mentioned those two in my remarks) and argued that in the longer term SAFIAC should be abolished with all decisions related to the funding of the independent sector being the ultimate responsibility of the South Australian Film Corporation Board.

The Government, however, has not acted on any of these recommendations—not even the recommendation to limit the terms of appointment to two years. I note that the current Chairperson, Rob George, has served in that capacity for three years since serving two years as a member and five years in all.

In the meantime, a number of questionable practices related to conflict of interest and accountability have been raised with me about the operation of SAFIAC and still remain of some concern, although I do appreciate the answer that I received from the Minister so promptly this afternoon.

The Hon. Anne Levy: Which completely exonerates them.

The Hon. DIANA LAIDLAW: In your opinion, yes.

The ACTING PRESIDENT (Hon. G. Weatherill): Order!

The Hon. DIANA LAIDLAW: In addition, I understand that SAFIAC was the subject of a review last year.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Well, I do. It would be interesting to see if those people did in fact—

The ACTING PRESIDENT: Order! Would the honourable member please address her remarks through the Chair.

The Hon. DIANA LAIDLAW: I will take up the matter later in specific questions, rather than be distracted at this time.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: The Minister is rather excitable. However, I will not be distracted. In addition, I understand that SAFIAC was last year the subject of a review which, like the Milliken report, recommended that SAFIAC be overhauled. But, like the Milliken report, the Minister has not yet been prepared to act on or release this report. Again, the Parliament—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Well, you won't even say that you will release it.

The Hon. Anne Levy: I haven't read it yet.

The ACTING PRESIDENT: Order!

The Hon. DIANA LAIDLAW: There is not even an understanding by this Minister that she will even be prepared to release it. That is what is so extraordinary. Yes, this is the same Government that says it will introduce freedom of information legislation. It is the very reason why this Parliament, and the Legislative Council in particular, recognises the need to establish endless select committees, just to try to get answers about some of the worst examples of administration in this State. Again, the Parliament should ask why not, and seek explanations for the Government's insistence—

Members interjecting:

The Hon. DIANA LAIDLAW: Again, the Parliament should ask why this Government was not prepared to release the Milliken report, and why the Minister in particular was not prepared to say straight out that she was not prepared to release the most recent report of SAFIAC. We should be seeking explanations for the Government's insistence on secrecy. Considering the scope of the Milliken recommendations, I suppose honourable members will not be surprised to learn that the board of the corporation objected strongly to the recommendations. In a submission to the Minister for the Arts, a copy of which has been forwarded to me anonymously—

Members interjecting:

The Hon. DIANA LAIDLAW: Actually, there are a number of papers coming my way, and I am almost too busy to keep up with reading them.

An honourable member: You'll have to have a 'leaked' in-tray.

The Hon. DIANA LAIDLAW: Yes.

The ACTING PRESIDENT: Order!

The Hon. DIANA LAIDLAW: It is hard to keep up with the arts when there is so much information coming my way, let alone keeping up with the other portfolios. In a submission to the Minister for the Arts (and, as I said, this has come to me anonymously) the board argued, first, that implementation of the recommendations would cost significantly more than the present operation of SAFC; and, secondly, that the bulk of the SAFC's television series program would have to be abandoned and would not be replaced.

The board, however, acknowledged that there were problems in the South Australian film industry, and it outlined five options for the future of the corporation:

1. Maintain the *status quo*;
2. Adopt the Milliken recommendations;
3. Establish two new organisations—Hendon Films and Film South Australia;
4. Establish an organisation with no direct production activity; and
5. Close down or sell off Hendon studios and adjust film assistance in South Australia to an appropriate level.

The board argued strongly for the third option—the establishment of two new organisations, Hendon Films and Film South Australia. However, a paper prepared by an officer of the Department for the Arts for the Minister's consideration (and I suppose you, Sir, will not be surprised that this paper has also been sent to me anonymously)—

The Hon. R.I. Lucas: You might as well go and sit in the Minister's office.

The Hon. DIANA LAIDLAW: I am looking forward to that day—did not accept as valid the board's arguments opposing the Milliken report or the board's favoured option for the future of the corporation. I note that I do not have my quote with me, so I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

WORKCOVER

The Hon. I. GILFILLAN: I move:

1. That a select committee of the Legislative Council be established—
   (a) to review all aspects of the Workers Rehabilitation and Compensation System (WorkCover);
   (b) to recommend changes, if any, to the Workers Rehabilitation and Compensation Act to optimise WorkCover's effectiveness.
2. That the select committee should take into consideration that WorkCover should be a fully funded, economical, caring provider of workers rehabilitation and compensation, with the aim of increasing workplace safety.
3. That Standing Order 389 be so far suspended as to enable the Chairperson of the committee to have a deliberative vote only.

4. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

In speaking to this motion, I indicate to the Council that I will seek leave to conclude my remarks later, because I believe that the whole matter of the select committee into WorkCover is the subject of some constructive discussion in this place between all parties involved, and on indication to me that a most satisfactory result will emerge. However, it is quite plain that there is a variation in the wording in relation to select committees that have been moved for by the Opposition in this place, and the one for which I am now moving. I think that, eventually, it will just become a matter of semantics. Those who are treating this matter responsibly recognise that there should be no closed areas as far as the assessment of WorkCover and its performance are concerned. With those remarks, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

SOUTH AUSTRALIAN FILM CORPORATION

Adjourned debate on motion of Hon. Diana Laidlaw (resumed on motion).

(Continued from page 84.)

The Hon. DIANA LAIDLAW: I thank honourable members for their tolerance in this matter and also the Hon. Mr Gilfillan for filling a very important gap in the parliamentary proceedings.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: No, I did not want to suggest that. I noted that, in relation to the Milliken report, the board had not accepted the recommendations, but that a paper prepared by an officer of the Department for the Arts for the Minister's consideration did not accept as valid the board's arguments opposing the Milliken report or the board's favoured option, which was the establishment of two new organisations, Hendon Films and Film South Australia for the future of the corporation. I quote from that officer's report, as follows:

No figures were provided to support the first opposing argument, namely, that the Milliken report recommendations would cost significantly more than the present operation and contrary to the expressed view, the department believes there may be definite financial advantages in working on co-ventures with local and interstate producers on both new and existing projects. Indeed, the potential exists for the range of products to be far wider, and hence for access to a wider range of funding sources.

The second argument, relating to the threatened loss of television series is extremely questionable and has been promulgated by Jock Blair, who has a strong vested interest in maintaining exclusive responsibility for the project concerned. There is no factual evidence that the television networks would abandon them if other producers were involved. Furthermore, Jock Blair could remain as executive producer on projects already accepted by the networks.

The submissions prepared by both the board and the Department for the Arts in response to the Milliken report reveal that both favoured different options for change—with the department strongly recommending '... that the board again analyse its position and future role'. I am not sure if the Minister accepted this advice from her department and asked the board to again analyse its position and future role. However, I do know that today—some 18 months later—the future of the corporation is more in doubt than at any time in the past 18 years.

Last week, the Minister, following years of inaction and neglect by the Bannon Government, decided in her wisdom to step in with a sledgehammer and threaten the corporation with closure if it did not reorganise itself to the Government's satisfaction within the next three years. She did not bother to explain why another assessment at taxpayers' expense of the organisational and managerial structure of the corporation was necessary when the Government already had the Milliken report at hand.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: The Minister interjects, but that was not the view of the Department for the Arts, as the Minister would know if she had read the reports. I have just read from them.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Don't you read anything that comes across your desk?

The PRESIDENT: Order! The Hon. Miss Laidlaw will come to order. Interjections are not acceptable and members will address their remarks through the Chair.

The Hon. DIANA LAIDLAW: It is just so interesting that the Minister does not seem to be responsible for anything. She did not bother to explain why another assessment at taxpayers expense of the organisational and managerial structure of the corporation was necessary when the Government already had the Milliken report at hand, nor did she explain that the current assessment is now deemed urgent only because she and former Arts Minister, Bannon, failed to take constructive remedial action when they had the opportunity to do so some years earlier; nor did she bother to outline what, if any, directions or outline she had given to the independent consultant (whoever he or she may be) about the model for restructuring that will ultimately satisfy the Government. Is it, for instance, one of the five options put forward by the board in 1988 or the Milliken option favoured by the Department for the Arts?

There are so many unanswered questions—questions to which I believe the Legislative Council should be seeking answers. Considering the lack of the Government's professionalism toward the corporation in the past, the importance of the film industry (in terms of both cultural and economic benefits to the State), plus the fact that millions of dollars of taxpayers' funds have been channelled into the corporation to prop it up in the past few years and again more recently, I believe that a select committee is the most appropriate avenue for the Legislative Council to consider options for the future of the corporation plus all other matters relevant to the re-establishment of an active film industry in South Australia. These matters are the second and third parts of the motion I have moved today.

Mr President, the first part of the motion refers to the circumstances surrounding the appointment and resignation of Mr Richard Watson as Managing Director of the corporation. Mr Watson was appointed to the position on 20 April following the retirement of Mr John Morris, who served the corporation since 1976, initially as Chief Executive Officer and later as Managing Director. Ms Milliken made the following references to Mr Morris in her report:

Mr Morris is one of Australia's most experienced film administrators, who enjoys almost universal respect within the film industry. Unfortunately, SAFC's drama production policies since 1980 have not proved to be, by and large, either critically or financially successful. Mr Morris is a strong personality, and any opposition to these policies has been ineffective. Nevertheless, I caution against those who see Mr Morris' departure—

and Mr Morris's contract was to expire on 19 May 1989—

as an easy solution to the SAFC's problems.

Ms Milliken's words of caution were to prove accurate. Mr Watson's brief was to return the SAFC to a profitable production house and to mend bridges with the independent film sector. This was a challenging task, particularly as he inherited a situation in which the SAFC was facing acute financial problems, a production slump and low staff morale, with his board and the department at odds about the future role and function of the corporation and with a Government stubbornly refusing to show any leadership. Mr Watson's

task was to be made even more difficult from the outset by the fact that the Minister for the Arts did not appoint him to the board. In effect, she appointed Mr Watson as Managing Director but, unlike his predecessor (Mr Morris) limited his role to that of General Manager. I am not sure what the Minister's rationale was for this decision, but there is no doubt that, from the outset, it undermined Mr Watson's capacity to do the job for which he was appointed and is yet another questionable matter for which the Minister has yet to be held accountable.

Mr Watson appears to have applied himself to his new job with a zeal that had not been seen at the corporaton for many years. Within weeks he had prepared a statement of intent for the board and in the next two months, after extensive consultation with the independent sector—consultation much appreciated by the independent sector, I must add—had prepared an ambitious strategic plan for the years 1989-92, with the key elements begin financial stability and a broad spread of activity, including a return to feature film production. In his introduction to the plan, Mr Watson stated:

> The corporation's justification can no longer rest on past achievements alone but must be based on cogent and persuasive reasons for continuing to exist in a substantially changed financial and broadcasting environment.

In line with this statement, the plan envisaged that the corporation would take a leadership role in facilitating and marketing an expansion of production in South Australia. Production budgets of $20 million in 1989-90, growing to $28.8 million in 1990-91 and to $34.8 million in 1991-92, were identified. While a minimum production target of $20 million was proposed for industry in South Australia annually, the corporation also aimed to be involved in projects with international sales potential. The plan was authorised by the board in July 1989 and released in October by Premier Bannon at a special ceremony in the Adelaide Himeji gardens. At that ceremony the Premier also announced that the SAFC had won a $4.2 million contract for the production in South Australia of 13 episodes of *Ultraman*, Japan's most popular children's television series. The production, seen as a pilot for further episodes, was hailed as a coup by the Premier who seemed to be keen—in fact, he had earlier signed the contract between Tsuburaya and the SAFC—to be associated and even photographed with the President of Tsuburaya Production Company of Japan, Mr Tsuburaya. At the time, Premier Bannon stated:

> *Ultraman* is an important international project. It will feature the first English dialogue in the series, produced initially for Japan, but with the intention to take it to the world. I am delighted that this project will further economic, trade and cultural relations between our two countries. We are privileged that our Film Corporation has been entrusted to interpret Japan's culture and greatest folk hero and 'westernise' the series for a wider world children's audience.

Later we learnt, in an interview with Mr Watson in the *Advertiser* of 27 January, that the SAFC had competed with a New South Wales production house for the rights to produce the series, and that Mr Watson considered the South Australian proposal had won:

> . . . because the corporation had a proven track record spanning nearly 20 years, was able to exhibit support from the Premier, Mr Bannon, and because the SAFC also held its own ambitions for the project.

I am not sure what support the Premier 'exhibited' that may have helped the SAFC secure the *Ultraman* series. Perhaps only the Premier and Mr Watson are aware of and able to reveal all the facts, or possibly Mr Gus Howard, the executive producer. However, I understand that Mr Bannon took a keen personal interest in the negotiations from the outset because of the potential to negotiate further economic, trade and cultural relations with Japan. Certainly I have been informed by one of many people directly associated with the film industry in South Australia who have contacted me in recent months that the Premier's support extended to a telephone conversation between Mr Watson in Japan and Mr Bannon and/or one of his senior officers in Adelaide in August last year during intervals in the signing of the various *Ultraman* contracts by Mr Watson in Japan. It is this advice that leads me to believe that Mr Bannon was aware, even prior to Mr Watson's signing a second contract outlining amended financial arrangements between the SAFC and Tsuburaya, that the budget for *Ultraman* would overrun the stated figure of $4.2 million.

In the light of the massive overruns in the budget for *Ultraman*—some $1.848 million to date—I believe it is important that the extent of Premier Bannon's initial support for the series and his knowledge of negotiations on financial arrangements prior to the signing of contracts, must be explored further by the Parliament. Also, questions must be asked and answers given on the following financial matters:

1. Did the SAFC production team consider that the *Ultraman* series could be filmed within the negotiated $4.2 million budget?

2. What influence did the potential to gain another 20 to 30 *Ultraman* episodes have on the negotiations?

3. Why did the corporation not take out a 'completion guarantee' insurance package, which I understand is a normal industry practice to cover the possibility of budget blowouts—an occupational hazard in the film industry?

4. Why did the corporation accept television rights in Australia and New Zealand only, which at 13 half-hour episodes at a time slot before 6 pm was doomed to be a so-called 'no return' budget from the start?

5. Why did the State film and television finance fund provide $196 500 toward the budget when the fund is designed to foster a local film industry, not underwrite foreign productions?

The Hon. Anne Levy: I told you that.

The Hon. DIANA LAIDLAW: It was a pretty trite answer. My questions continue:

6. Why were private sector funds not sought as South Australia's contribution to the production costs?

7. Why did Tourism South Australia contribute $10 000 and for what purpose?

8. Did the additional $400 000 provided by the South Australian Government in February this year as the State's contribution to changed production arrangements come from the Premier's budget lines, Treasury or the Arts Department?

To date I have found it difficult to find anyone who will provide all the answers to all these important questions and my efforts to seek answers have been even more unrewarded since Mr Watson resigned as managing director on 25 May. In fact, my inquiries since that time have simply raised more and more questions—questions which nobody will answer notwithstanding the fact—

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Just listen, Minister—do not get excited. My questions remain unanswered despite the fact that millions of dollars of taxpayers' funds are at stake!

What is clear is that, from the outset, Mr Watson found an unhappy staff situation at the corporation when he took up the position. Many members of staff felt vulnerable following the findings of the Milliken report and they were now uneasy about a changed working environment arising from the retirement of Mr Morris and the new directions

proposed by Mr Watson. Mr Watson sought to put such unease to rest by immediately issuing a reassurance that no job was at stake for at least the first year of his tenure. On reflection, I suspect that Mr Watson was less successful at team building within the SAFC than he was in building a working relationship with the independent film sector and the Australian Theatrical and Amusement Employees Association. In this respect he arranged for Mr Justin Milne, President of the South Australian Film Producers Association, to sit in on board meetings. He took that initiative because, whilst the Minister has now appointed a film director, it took her some time to do so—at least a year. He initiated a film feature plan, of which he promised three features would be co-produced with independent local producers and set up Portman Adelaide Films, a joint production company with UK based Portman Entertainment.

Also on reflection—and notwithstanding the fact the SAFC Board had authorised the strategic plan—it appears that the manner with which Mr Watson sought to acquire new production funds upset senior staff and board members. Certainly, allegations abound that he worked at too fast a pace and not always by the book. Such allegations have been levelled against Mr Watson in relation to the negotiations for *Ultraman*. Whether such allegations are fair and just is uncertain, but they are matters which should be clarified. Also, clarification is required on speculation that, by the end of 1989, Tsuburaya was placing unreasonable demands on the production and that, even at this early stage, the production was about to plunge into the red. Whether or not the board was kept fully briefed on all these developments must also be addressed.

By mid January it was clear that the corporation faced a crisis following a decision prompted by Tsuburaya to spend some $700 000 to overcome difficulties the production encountered in shooting the complex special effects. During this crisis there appears to have been a difference of opinion among Mr Watson, the executive producer (Mr Howard), and the legal adviser (Ms Worth) on how best to respond. Meanwhile, legal advice sought from solicitors, Baker O'Loughlin, was uncompromising in arguing that, if Tsuburaya continued to refuse to pay the overages, they would be breaching their contract, entitling the corporation to cease production and proceed at law for damages. However, such an uncompromising stand appears to have been unacceptable to the Premier's Department and presumably to the Premier.

I should note that at no time during this crisis was Mr Watson able to consult the board. The board simply did not exist. Its previous Chairman (Mr Bob Jose) retired at the end of January and a new Chairman (Mr Hedley Bachmann) would not be appointed for another six weeks until mid-March.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Well, I looked at the *Gazette*. Also, with board member Ms Treloar absent on sick leave there were insufficient members to fill a quorum and meet as a duly constituted board. Given the corporation's recent history of problems, it is reasonable to ask why the Minister did not act earlier to fill the crucial vacancy of Chairman. On 14 February I directed questions to arts Minister Levy about what course of action the SAFC had resolved to take to address the impending crisis. At that time I had in my possession copies of Baker O'Loughlin's advice to Mr Watson. In reply, Ms Levy indicated 'my source of information was a little out of date' (by one day) and that the filming of *Ultraman* would continue following an agreement signed the previous day between Tsuburaya and the SAFC to split the extra costs incurred in filming the special effects.

While it is unclear what transpired between the SAFC's receipt of Baker O'Loughlin's advice on 6 February to halt production, and the agreement reached on 13 February to continue production, it appears that Acting Chairman, Jim Jarvis, sought the assistance of the Premier's Department. In reference to this time, a senior government official in the Premier's Department is quoted by Nigel Hopkins in the *Advertiser* of 7 July as stating:

> There were a lot of phone calls going around. The obvious message was we didn't want to halt the project; it's got to be resolved.

In the same article, Nigel Hopkins records that the Director of the Premier's Department (Bruce Guerin) became involved in negotiating directly with Tsuburaya; also that the subsequent agreement with Tsuburaya paying $400 000 and the SAFC the balance was essentially a political one which took account of long-term economic gain which might be lost if the *Ultraman* production was stopped even temporarily.

I suspect that this contention by Mr Hopkins is correct because the Government's official submission to the Joint Steering Committee for the Multifunction Polis—I do not have a copy here but I would say that most members would be interested to see the full page of colour photographs of *Ultraman* splashed all over the submission—includes not only a full colour page of photographs showing *Ultraman* in production, but also the following statement:

> The South Australian Film Corporation has an outstanding record of feature film production and is a key element in this cultural infrastructure. It has also positioned itself to take full advantage of markets and production opportunities that are emerging in Asia and will emerge in Europe after 1992. For example, the corporation is currently engaged in a joint production of *Ultraman* (the Japanese equivalent of the *Superman* series in America) which Japanese media interests are planning to distribute in English speaking markets; and it has completed negotiations to form Portman-Adelaide, a joint United Kingdom-Australian company that will produce films in Australia for distribution throughout Europe.
>
> These are firsts for the film industry in Australia. They demonstrate a readiness in Adelaide to internationalise the production and distribution capabilities of the South Australian Film Corporation in ways that are highly compatible with the MFP objectives. There is no doubt that, in the context of MFP-Adelaide, the basis exists for a major expansion of the film industry responding in a series of joint ventures to the needs of the Asian and European markets.

Mr President, in the context of the next few months of tension at the corporation, it is a sad irony that the two specific matters that the Government chose to highlight in its MFP submission in relation to the corporation were both initiatives that were negotiated during Mr Watson's short term as Managing Director: the joint production of *Ultraman* and the formation of Portman-Adelaide. Today, the Government seems quite happy to take credit for these initiatives; yet, a few short months earlier, it seems to have been involved in a conspiracy to oust Mr Watson as Managing Director.

What was Mr Guerin's involvement in negotiating the terms for meeting the $700 000-plus costs incurred in the re-filming of the special effects, and what was the real motivation behind the agreement to split the overages? These matters require some explanation from the Government, and so do the allegations that, in March, senior members of staff wrote to the board expressing misgivings about Mr Watson's style of management. Also, what truth is there in speculation that on three occasions in March the board invited Mr Watson to resign and that on each occasion he refused, or that in April Mr Watson had a showdown with Mr Bachmann and Mr Amadio (a board member

and director of the Department for the Arts) following an earlier meeting with the Premier to brief him about the situation? What were the grounds for the board seeking Mr Watson's resignation and what direction or options, if any, did the Premier offer to the board to address the impasse? Was the Premier happy to see Mr Watson go and, if so, why?

There are still further questions related to Mr Watson's resignation and more recent decisions by the board and/or the Acting Managing Director that require answers as follows:

1. Did the terms and conditions of the contract signed by the board and Mr Watson require that Mr Watson be paid out in full or in part and, if so, at what cost to the corporation or Treasury?

2. Why, if the board and Government were prepared to terminate Mr Watson's contract and extend to him a golden handshake, were they never prepared to do so in relation to persons named in the Milliken report?

3. Were the problems associated with the production of *Ultraman* the sole reason for Mr Watson's contract being terminated or were there also other issues involving either administration or production that influenced the decision?

4. Was Crown Law advice sought by the board in relation to Mr Watson's resignation and, if so, what was that advice?

5. Why has Mr Jock Blair been reappointed by the corporation as head of the drama production unit until the end of 1992, contrary to a recommendation in the Milliken report that he be released from his contract upon its expiry in March 1990, and what are the terms of the new contract?

6. What, if any, rights does Mr Blair hold in films being produced or scheduled for production at the SAFC and what gains does he stand to make from such rights in addition to his contract of employment with the corporation? I ask this question in relation to the earlier advice (from which I quoted) that was produced by an officer of the Arts Department which suggests that Mr Jock Blair has a strong vested interest in projects at the corporation.

7. Why has Mr Peter Gawler, a resident of Sydney and former script editor named in the Milliken report, been appointed as the producer of four of the corporation's six scheduled feature films, notwithstanding the fact that he has never produced a feature film?

8. When does the corporation propose to advertise to fill the position of Managing Director and for how long has Ms Worth agreed to hold the position of Acting Managing Director?

9. When does the corporation anticipate learning from Tsuburaya that it will or will not win the contract to produce further episodes of *Ultraman*?

Yesterday, I rang the corporation to confirm the amount of the operating grant received from the Government for the last financial year. Subsequently, my office discovered that the amount was $705 000, but it took six phone calls to find someone who was prepared to speak and they all had to check with Mr Bachmann. That is how paranoid and intense the situation is at the corporation and indicates how little they are prepared to divulge—even a figure like the operating grant for last financial year.

To date, the Government or the board have failed or refused to answer all of these fair questions (1 to 9 above). They continually plead that they are unable to do so because of a contractual agreement between the board and Mr Watson which apparently prevents all parties, including the State Government, from making any public statement on any events in any way associated with Mr Watson's tenure at the SAFC. Such secrecy provisions in contracts seem to be a practice favoured by this Government. Certainly, the Government insisted that a similar provision be imposed upon the Abels, key witnesses in the Marineland debacle. Such secrecy provisions are distasteful and unacceptable, but especially so in instances such as SAFC and Marineland where the Government should be accountable for its administrative actions, but seeks to hide behind legal contracts to escape such questioning. While Mr Watson may not be squeaky clean, neither, I suggest, are the Premier, Arts Minister or SAFC board members.

I am not an apologist for Mr Watson. I do accept that not all of Mr Watson's actions may have been 'to the book', that at times he may have been rash, and on occasions even gone beyond the bounds of authority extended to him by the board. But then for six critical weeks in the life of the corporation there was no board to which Mr Watson could refer because the Minister had not bothered to appoint a Chairman and when fully constituted I question whether the board was ever keen to pursue with conviction the objectives set out in the strategic plan that it had earlier authorised.

For my part, I cannot help but believe that Mr Watson has been made a scapegoat in this whole unhappy saga. But this is not my view alone. It is shared by virtually everyone associated with the independent film industry in South Australia, and the same view has been expressed in editorial opinion in both our daily papers, by newspaper columnists and journalists and by reporters associated with each television station in Adelaide. In all instances, their view that Mr Watson has been made a scapegoat has been reinforced by their utter distaste for the Government's insistence that no public comment be made on the reasons leading to Mr Watson's resignation—or was it forced removal?

With justification the media in this State demand that the Government be held accountable, especially considering the large and increasing sums of Government money that are going into the corporation. If the Premier, the Arts Minister and the board continue to refuse to be held accountable through the normal channels of media statements and media conference, I believe the Legislative Council has an obligation to both the taxpayers of this State and all involved in the film industry in this State to insist upon such accountability, and that the best means to seek such accountability is by the establishment of a select committee.

In moving this motion I appreciate that I have spoken at length, and I appreciate the indulgence of members of the Legislative Council. However, to understand the present it is necessary to refer to the glorious past. Also it is necessary to appreciate that so much of the corporation's recent upheavals and unhappiness need not have been endured had the Government been more professional in addressing issues at the corporation and acted earlier to revitalise the SAFC and, in turn, the entire film industry in South Australia.

In asking that the Legislative Council establish a select committee to consider these issues, I am not seeking to go on a witch-hunt. Quite simply, these matters must be considered if we are again to enjoy an active film industry in South Australia, one that returns handsome economic and cultural benefits to the State. The Government is not prepared for these issues to be considered; therefore, I urge members to support this motion.

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

FREEDOM OF INFORMATION BILL

The Hon. M.B. CAMERON obtained leave and introduced a Bill for an Act to give the members of the public

rights of access to official documents of the Government of South Australia and of its agencies and for other purposes. Read a first time.

The Hon. M.B. CAMERON: I move:

That this Bill now be read a second time.

I have no doubt that members present would have a sense of *deja vu* about this Bill, particularly the Hon. Mr Crothers who spoke at length about this matter in the last session. This is about the sixth time that I have introduced this Bill. It is time that this matter was resolved by the Parliament in the affirmative, because, as I have said each time, this whole motion for freedom of information was not an initiative of mine in the first place, but was an initiative of the Attorney-General of this State as far back as 1978. It is now 1990 and we have not yet had the opportunity of looking at the Government without having to receive 'back of the truck' documents, and all other methods by which members in this place and members of the public have to receive information. One would have thought that a commitment in 1978 by the Party now in Government would have led to our having freedom of information, that we would now enjoy freedom of information as is the case in Victoria, New South Wales, Tasmania and the Commonwealth. In fact, the way we are going, instead of being, as we have often been, the leaders in such matters, we will be the tail-end Charlie, because this will be the last State in this nation to gain freedom of information.

Why have we not received the right that the citizens should have? There is no reason why, in a democracy, the citizens should not be able to inspect the Government. I cannot think of any reason whatsoever why governments should hide, unless they have something to hide. I have often said to members on this side—and I freely admit that some members on this side have had doubts about the matter—that one does not need to worry unless one has something one does not want the public to see. If a person has something that he does not want anyone else to see, he should not have written it or taken the action in the first place.

For reasons known only to the Government and the Attorney-General, the Government, in the dying hours of the last session, introduced in another place a Bill for freedom of information. However, they made sure they introduced it at such a time as to extend further the time at which it would become law in this State. That, again, shows nervousness on the part of the Government about this whole matter. I do not intend to speak at great length today on this Bill.

The Hon. Anne Levy: Hooray!

The Hon. M.B. CAMERON: I know that the Minister would not want to hear about it because there are a lot of actions that are taken within her department that I am sure she would not want members of this place to know about. I can well understand her apprehension and nervousness in hearing about this matter. It seems to me, reading the document that was introduced in another place in the last session, that it is not an FOI Bill: it is designed in such a way that the public will not be able to obtain information unless the Government and heads of departments decide that they should. I will quote the one key clause that makes this obvious. Clause 18 (1) states:

> An agency may refuse to deal with an application if it appears to the agency that the nature of the application is such that the work involved in dealing with it would, if carried out, substantially and unreasonably divert the agency's resources from their use by the agency in the exercise of its functions.

In other words, if it does not like it, if it thinks it is going to be too difficult, it will say that it is too busy to do it.

I have often heard answers to questions in this place given in the same way. When we put questions on notice, we have had the answer, 'I am sorry, but the amount of work involved in giving the answer is too much and we have decided not to give it.' That is one of the reasons for FOI. Here we have the same sort of attitude brought into a Bill in this place which is supposed to provide freedom of information. That is not freedom of information; that is restriction of information. That is giving a God-given right to any department to say, 'We are sorry, but we are too busy.' If the Government's Bill is eventually reintroduced and comes through tho this place, that clause will have to come out straightaway, because it is not on. Because my Bill was based on the Government's own report, I hoped that it would not bother to introduce its Bill. I again ask it to accept my offer: to take the Bill I am introducing today (the Attorney-General can take it over tomorrow) and use that as the basis for FOI. If he wants to take the credit, as I have said before, that is not a matter of great moment to me. The important thing is that we get this right as citizens of this State and as members of this Parliament.

There is an interesting omission in the Government's Bill. Members of Parliament in all other States have the right to obtain information without cost. Surely that is a basic right of a member of Parliament. If we have to pay for every piece of information that we get, there will have to be a further salary increase because members will not be able to afford to obtain information on the basis put forward by the Government. I will go into that later.

My Bill contains an exemption for members of Parliament. However, the Government's Bill, which will obviously be reintroduced and brought through, does not have that exemption. Why? It is because the Government does not want members of Parliament to look at its records; it prefers them to be left in the dark and maintain the present situation as regards setting the cost. If we cannot afford it, we are simply expected to do our job without the information. That is not on. That is not democracy and that is not the way that it should operate. I trust that members will support amendments to ensure that that does not continue.

This Bill also gives agencies the right to set the costs. There seems to be no right of appeal against costs in relation to FOI unless one goes to the District Court. We cannot expect citizens to go to the District Court in order to obtain justice. The agencies will be given *carte blanche* under the guidelines laid down by the Government. I do not believe that that is on or that it is the proper way to do it. There must be some other body that has the right to say, 'That is not fair or reasonable.'

Now that the Attorney-General is present in the Chamber, I repeat that it would be far better for all concerned if we sat down and had a discussion about this Bill, which is based on the Attorney's own Bill. I remember the Attorney saying that the Bill seemed to have no great fault in it in relation to its content, because it was based on his own report. Let us put the two Bills together and get the best out of each of them before we start debating them in this Council. For once in this place let us obtain a consensus view and introduce a Bill that will not involve any argument between the various Parties. I do not want an argument with anyone on this matter. It is a matter of commonsense, and it is a basic tenet of democracy to have it.

On page 10 of the document that was introduced last session (I do not believe it has been further introduced), clause 22 (2) provides:

> If an applicant has requested that access to a document be given in a particular way, access to the document must be given in that way unless giving access to the request would unreasonably

divert the agency's resources from their use by the agency in the exercise of its function.

Again, that is the cop-out clause. That is the sort of thing that we want to look at to ensure that the agencies cannot use it to deny access. Without agencies having some discipline or pressure on them to provide the information, the whole matter of FOI becomes a joke. I do not think any of us wants that to occur.

I do not wish to set up a select committee to bring forward a Bill on FOI. I think we have enough select committees in this place at the moment, and I am sure the staff would go right off their tree if I even suggested such a thing. I make this offer to the Government: we could have some private discussions about this matter to ensure that we have a Bill that will come through both Houses without delay. It could be introduced in either House; I do not mind if it is introduced in the Lower House. But, let us do it on the basis of consensus between all the Parties in the Parliament so that, when the Bill is introduced in the Lower House or reintroduced in this Council, as this one has been, or if the Attorney decides to take it over, amendments to this Bill are such that it will be supported by everyone and dealt with as quickly as possible.

The Government's view on fees and charges is set out in clause 5 (2), which provides:

The Government may, by notice in the *Gazette*, establish guidelines for the imposition, collection, remittal and waiver of fees and charges under this Act.

What right does that give us, as members of Parliament, to see whether fees and guidelines are reasonable? We have no right. It is just in the *Gazette*, and that is it. I do not think that is a proper way to ensure that citizens are not denied access, and I do not believe that, if the Government thinks about it carefully, it would agree with that, either.

This clause needs to be looked at very closely, and I believe we must bring in some outside body; perhaps the Auditor-General's Department would be an appropriate organisation to establish reasonable fees. That clause must be taken out or amended in such a way that it is not the Minister setting fees, but the Parliament or an independent outside person who would have in mind that the community must have access. There is no group more dedicated to the restriction of information than the Government. It does not matter which Government is involved, as all Governments dislike giving information if that information could be embarrassing. All these matters which I have raised and which are a very small part of the whole thing, are designed specifically to give the Government the right to restrict access to information, and that is not on.

The Hon. R.J. Ritson: They have just adopted court fees of about $3 a page, or something stupid like that.

The Hon. M.B. CAMERON: Probably they would use something like that and that is certainly not on. In fact, I have a view and I know within the guidelines it is stated that people of lesser means must be covered. However, I would like to see those guidelines looked at very closely by some outside body, and certainly by Parliament. There is also a provision that reports to Parliament should be made. Again, I think that the report to Parliament should be done perhaps by the Ombudsman rather than by the Minister. That is a matter on which there could be some negotiation.

I will not go on much longer because the speech I have made today could almost be taken out of a previous *Hansard* and brought back in again. I am sure members have heard what I have said before. I appeal to the Government to support this Bill. It has now been introduced; let us sit down and, if there is a need for discussion on certain areas of the Bill, let us have that discussion. I repeat that, if the Attorney wishes to take up this document as his own and have discussions on it, I would be only too happy. It is important (and I will say it again and again) that we at last reach a pinnacle of democracy in this country so that we have a right of access to Government.

Certainly, there must be some retrospectivity. I note that the Bill carefully provides that no document that was written before this Bill comes into force may be examined. That is ridiculous. In that event, there would be absolutely no point in having FOI. My Bill provides for a period of five years. I believe even that is too short a period. I would make it 10 years. However, five years would be the minimum acceptable time. Otherwise, we would not have any access to the past.

The Hon. Diana Laidlaw: What about the life of this Government—seven years?

The Hon. M.B. CAMERON: That is right. I do not mind going back as long as they like, but the Government will not get away with legislation that applies only from now. That is not on. I suggest that that is a bit of a try on for the Parliament, and it will not be accepted. That is another matter that should be subject to some discussion. I appeal to the Government to get this matter resolved as quickly as possible so that we can get on with the job of looking at government and at what it does.

In the end it will be an advantage to the Government, because it will not have the sort of things that have occurred in the past where documents have been fed out to the Opposition that the Government has tried to hide. The Government will find it much better. It is far more preferable to be open with the public. Stories become less exciting to everyone, and eventually that will be the case.

Secondly, as FOI goes through the system the Government will find that it will cost less and less, because departments will be forced to upgrade their information systems to enable them to provide access. Initially, there may be some costs, but eventually those costs will reduce dramatically. This has been seen to be the case in other States because information systems are modernised and they do provide information. I appeal to members to support the Bill.

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

BALLOTED TAXICAB LICENCES

The Hon. DIANA LAIDLAW: I move:

That the regulations under the Metropolitan Taxi-Cab Act, 1956, relating to balloted licences, made on 26 July 1990 and laid on the table of this Council on 2 August 1990, be disallowed.

The regulations set out the criteria for the issue by ballot of 50 new non-transferable licences in South Australia within the next seven to nine months, including the persons who are eligible to participate in the ballot (namely persons who hold a general taxicab licence), the terms of the new licences and the conditions to apply to the licence.

The regulations arise from a 'peace-plan' released by Transport Minister Blevins on 19 June, details of which he presented as the final version of the Government's policy on the taxi and hire car industries in South Australia. The first version, released by the Minister on 11 April, unleashed a storm of protest from owners and drivers in both industries, and I shall address this matter further in a moment. Reflecting on the outpourings of rage last April and the upheaval that the Minister unnecessarily inflicted upon both industries for so little eventual gain, the Liberal Party accepts that Minister Blevins had to try to reach some compromise. In fact, a court ruling on an injunction sought by members

of the taxi industry insisted that the Minister sit down and negotiate a new package. However, in seeking to negotiate such a compromise, Minister Blevins appears to have been driven by an overwhelming desire to buy political peace at any price.

The Liberal Party accepts the wisdom of the move by the Government to issue further taxi licences, although the issue of 50 in one swoop does seem over zealous and an over reaction to the fact that no new taxi licences have been issued in South Australia for the past 15 years. Indeed, the Liberal transport policy released prior to the last State election noted our support for generating increasing competition in the industry by the regular annual release of a limited number of additional taxi licences. However, unlike the Government's latest move, a Liberal Government would not have restricted the release of the new licences to current licensees or owners. We favoured a limited release of new licences by tender and, in speaking to that point, I would note that that is a proposition which the South Australian Taxi Association endorsed in a discussion paper on the future of the Adelaide taxi industry dated 6 April 1990.

Members will be aware that in this Council we cannot amend or disallow specific regulations within a package of regulations. If a regulation is deemed objectionable, our only course is to disallow or reject the total package. Liberal members deem new regulation 42 (5) *(a)* in section 2 of the regulations gazetted on 26 July to be so unacceptable in its present form as to warrant moving for the disallowance of the total package.

Mr President, we do not accept that it is either fair or reasonable, nor in the best long-term interests of the taxi industry in South Australia, to restrict eligibility for the issue of the 50 new licences only to licensees or owners, of whom there are 654 in South Australia. We believe that both drivers and lessees should also be entitled to participate in the ballot if they so wish. The new licences will permit a person a right to trade—to put a taxi on the road—for simply the cost of the licence fee, but with no upfront costs. Taxi licences are currently selling in the region of $105 000. Therefore, this means that people lucky enough to gain one of these new licences will save themselves the upfront cost of $105 000. Of course, they will have to pay a licence fee to the Metropolitan Taxi-Cab Board.

This decision by the Government, coupled with the fact that no new licences have been issued in South Australia for some 15 years, brings into question both the justice and the wisdom of the Government's resolve to restrict eligibility for the 50 new licences to persons who already hold a licence to trade as a taxi owner. Effectively, the Government's decision reinforces the 'closed shop' structure of the taxi industry that Minister Blevins and the Government found so objectionable in April this year.

In determining that the conditions established by the Minister for persons eligible to participate in the ballot for the new licences are too restrictive and should be relaxed, I must acknowledge that Liberal members canvassed a range of options. Such options included participation by any member of the public who wished to gain a licence. However, this option was discarded in favour of providing to all persons who hold a permit to drive a taxi (currently 2 943) and all lessees (currently 142) the right to apply to participate in the ballot.

I have spoken to the President of the South Australian Taxi Association, and I will relate the conversation in a few moments. In speaking to Mr Sievers, I determined that he thought that only 30 to 90 drivers would be interested in participating in the balloting system for the new licences, if the Government was prepared to extend the eligibility for participation beyond owners only, as is the case at present.

Mr President, together with my colleagues, I have received hosts of telephone calls and letters from drivers who are unhappy with the 'closed shop' deal negotiated with the Government. They are unhappy that the Government has left them out in the cold and denied them the chance to gain one of the new licences. Most of the representations have come from drivers who have been dedicated members of the industry for many years. Such a driver telephoned me just yesterday. He has been driving a taxi for 10 years, but during that period has never been able to afford the $105 000 required to become a taxi owner because of his mortgage commitments on his family home. Why should he not be allowed the chance, if he so wishes, to gain one of these new licences?

In the past week I have discussed the Liberal Party's objection to the Government's restrictive new licence arrangements with the President of the South Australian Taxi Association, Mr Wally Sievers. I was not surprised to learn that he was opposed to any move to widen the eligibility criteria for participation in the ballot beyond current licences. It is not necessarily in his interest nor that of his members to support such an extension. He argued that it would be unfair to include drivers because, in 1974, drivers alone had participated in a ballot for the new licences issued that year, and that such a restrictive practice had caused bitter resentment among owners. I am not surprised that such an arrangement caused resentment.

But with the benefit of this historical perspective, I pose the question to Mr Sievers and owners generally and also to honourable members: why, 15 years later, should the State repeat an exercise that has proven to be unsatisfactory and will perpetuate resentment between owners and drivers, albeit that on this occasion the restrictive, discriminatory practice will be reversed? It is surely time that the taxi industry came of age and put to rest bitter battles fought in the past. The fact is that owners and drivers have a common interest, and should exercise a shared commitment to providing a reliable, efficient and affordable transport service option to the general public, but I suspect that the bitter battles of the past will be perpetuated if the Government persists in dividing the industry between the rights and interests of owners and drivers for the purpose of releasing the long overdue issue of the 50 new licences.

Mr President, the Bannon Government's decision to confine the issue of the new licences to current owners only has to be seen in the context of the fury that greeted transport Minister Blevins' announcement on 11 April to allow for the open entry of hire cars. That announcement took taxi and hire car owners and drivers by surprise. In fact, it took all members by surprise—at least those not in the Government. It was like a bombshell dropped on the industry. The announcement was made without any prior consultation with owners and drivers or their representative associations—a matter which the Minister subsequently acknowledged.

It was an announcement that bore no relation to the recommendations of five earlier inquiries into the industry in the past 10 years. Also, the key elements of his April package ignored the considered views of the Minister's own advisory committee—the Taxi-Cab Board—and past submissions by the South Australian Taxi Association for reforms in the industry. The fact is that Minister Blevins, in blessed isolation from the weight of informed opinion available to him, simply plucked his proposed open entry scheme for hire cars out of thin air, yet he had the audacity to claim that his radical, unacceptable plans were necessary

because no action had been taken in recent years on any of the earlier five inquiries. However, such an admission of inaction was not the fault of the taxi and hire car industry—although that is, in essence, what Mr Blevins would have us believe. The fault lay with the performance of past Labor Ministers of Transport who had elected not to initiate moderate reforms recommended in the five inquiries which Minister Blevins had at hand if he chose to read them.

The Government's so-called reforms last April were announced on the pretext that a new network of transport services was required across metropolitan Adelaide. The Liberal Party argues—and I suspect the transport industry also would argue—that there are deficiencies in the provision of transport services in metropolitan Adelaide. However, these deficiencies have little to do with the current practices in the taxi and hire car industry. They arise essentially from gross inefficiencies in the provision of services operated by the STA, yet Minister Blevins and the Government he represents are not prepared to address these inefficiencies in the STA, to address the sharp decline in passenger numbers in the past five years, or to address the escalating operating deficit. The Government will not touch the STA because it is too scared about confronting the union movement, but the taxi and hire car industry is not heavily unionised, so Minister Blevins did not seem to mind waging war on taxi and hire car owners and operators in April this year. But he miscalculated: taxi and hire car owners rebelled. They took their protest to the streets and to the courts, and ALP Ministers and members became nervous.

Then, a few weeks later, during a hearing on an injunction to stop the Minister's introducing his package of so-called reforms, on the basis of a denial of natural justice, the court ruled that the Minister must now sit down and negotiate with representatives of interested parties. For this purpose, a committee comprising the following three gentlemen was formed: Mr Sievers from the Taxi Industry Association; Mr Paul Evison from the Hire Cars Association; and Mr Michael Wilson from the Metropolitan Taxi-Cab Board. Together with this committee the Minister negotiated the Government's new policy on the taxi industry released on 19 June—the third policy released in the eight months since the release of the Government's transport policy prior to the last State election. The regulations to which I speak today arise from the 19 June policy.

Reflecting on the events leading up to the 19 June policy announcement and the outpourings of anger from the taxi and hire car operators during that period, I believe that there is little doubt that the 19 June package was negotiated by the Minister—not on the basis of justice or within a framework of meeting the public interest but simply to get himself and the Bannon Government out of a political mess of their own making that had turned ugly. The Liberal Party urges the Minister and his colleagues to think again. As I stated earlier, we support the issue of new licences. However, the basis on which 50 new licences are to be issued is excessively restricted and in total contradiction of Mr Blevins' stated wish last April to challenge the 'closed shop' environment in which taxi owners operate their business, yet, some two months later, he has moved to reinforce, not relax, this working environment.

The Liberal Party believes that drivers and lessees should also be able to participate in the balloting process for the 50 new licences to be issued in the next seven to nine months and that the extra opportunities now provided to gain a licence should not be confined to those who are fortunate to have had the opportunity to acquire a licence in the past.

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

HOMESURE INTEREST RELIEF BILL

The Hon. L.H. DAVIS obtained leave and introduced a Bill for an Act to provide relief to home owners against high interest rates. Read a first time.

The Hon. L.H. DAVIS: I move:

That this Bill be now read a second time.

I am pleased to have the opportunity of reintroducing this Bill which, with Australian Democrats' support, passed the Legislative Council in April. Members will recall that on that occasion we witnessed the remarkable spectacle of the Labor Party voting *en bloc* against its own election promise. I should like to think that in this new and longer parliamentary session the Homesure legislation will pass both Houses. The need for interest rate relief for home buyers is, sadly, as obvious today as it was in November 1989 when Premier John Bannon first announced his interest rate relief scheme.

The fact is that variable housing loan rates are still as high as 16.5 per cent and are likely to remain above 15 per cent (the cut-off point for the Homesure scheme) for the foreseeable future. Homesure really should be renamed Homecon—a $33 million con. The Premier has, with his vote grabbing exercise on Homesure, conned 33 000 South Australian families. They have each been denied interest relief of $1 040 a year because Mr Bannon did not honour his Homesure election promise. It is, of course, worth reminding Government members that the Homesure scheme had been a direct copy of the Liberal Party home interest relief package. The Premier and his advisers worked feverishly overnight to incorporate an almost identical scheme into his policy speech.

There was broad agreement between the Parties about the number of families who had purchased homes since housing interest rates had been deregulated on 2 April 1986. The Liberal Party estimated that about 80 000 families had purchased a home since that date and that over 30 000 families would be eligible for housing interest rate relief under its scheme which was subject to a family income test. The Labor Party scheme was virtually identical although, only the day before, the Premier had denounced the Liberal Party's bold housing initiative. The essential elements of the scheme promised by Premier Bannon were as follows (quoting directly from the initial advertisement for the Homesure scheme which appeared in the *Advertiser* of 2 January 1990):

You may be eligible for assistance if:

- you purchased your first home after 2 April 1986;
- you purchased your home, other than your first home, after 2 April 1986 and are paying more than 30 per cent of household income in home loan repayments;
- the interest rate charged on your first mortgage is in excess of 15 per cent;
- you have no other property which could be occupied or sold;
- the original loan(s), secured by way of a registered mortgage does not exceed $90 000;
- the term of the loan is for a period not less than 20 years; and
- you have a household income of less than:
  $40 040 with no dependants,
  $45 240 with one dependant,
  $47 840 with two dependants,
  $50 440 with three dependants,
  $53 040 with four dependants, and
  $55 640 with more than four dependants.

The Premier indicated that about 35 000 families would qualify for the scheme, which would start operation on 1

January 1990. He stated that $36 million would be spent on interest rate relief in calendar 1990; in other words, each of the 35 000 families had the potential to receive $1 040 each in a full year. This was vital assistance to home buyers suffering the impact of housing rates as high as 17.5 per cent. The 35 000 families represent about 80 000 people. It was a significant promise by the Premier in that it cancelled out the Liberal Party's Home Interest Rate Relief Scheme and was particularly helpful in marginal metropolitan seats where so many of the people likely to benefit from Homesure resided. Some people would argue that it could have tipped the balance Labor's way in what was a cliff-hanger election.

But, instead of honouring this critical promise, the Premier and Treasurer, John Bannon, reneged on the promise. How quickly will people affected by this broken promise call Premier Bannon 'honest John' in the future? The *Advertiser* of 2 January 1990 carried an advertisement inviting people who believed they were eligible for assistance under the Homesure scheme to apply. As I have already mentioned, this advertisement honoured the promise made at election time. However, just four days later, on 6 January 1990, another advertisement appeared in the *Advertiser* with a critical difference.

No longer were people eligible to apply for Homesure if they had purchased their first home after 2 April 1986. Now, under Homesure Mark II, they were only eligible for Homesure if they had purchased a home after 2 April and were paying more than 30 per cent of gross household income in home loan repayments. Put simply, this critical difference in criteria disqualified 90 per cent of families who would have been eligible for interest rate relief under the Homesure scheme promised at election time. Put another way, only 10 per cent of families who would have qualified for Homesure as promised at election time remained eligible for assistance under the new guidelines.

It is interesting to note that in April 1990, when wrapping up the debate on this Bill, which was then being debated in the Legislative Council, I held the very strong view that no more than 10 per cent of families, who would have been eligible at the time the promise was made, would now be eligible under the revised criteria. That, of course, has come to pass. The reason for the dramatic fall in the number of eligible families is as obvious to this Council as it was to the Premier and Treasurer of South Australia. Banks and building societies, the main providers of housing finance in South Australia, will invariably not allow new home owners to commit more than 25 per cent of gross income to mortgage repayments.

It will come as no surprise to members opposite to learn that Liberal members in marginal seats have been deluged with complaints from people who have now been disfranchised from the benefits of the Homesure scheme. The Premier was not content to break one promise with respect to Homesure. Families had been promised $20 a week, $86 a month and $1 040 a year. That was the election promise in black and white. However, under Homesure Mark II, families now receive assistance on a sliding scale ranging between $5 and $20, depending on the level of interest rates. Housing Minister, Mr Mayes, only yesterday has admitted this assistance is now averaging only $13.63 a week. That is just two-thirds of the benefit that was promised.

I have yet another complaint about Homesure. The Government has advertised the Homesure scheme in the worst possible way and in the most cynical way. The Government has advertised the Homesure scheme on the side of buses and in newspapers. It has created the impression that it has really been promoting this scheme in a big way, having of course at the start cut the guts out of it. It has spent tens of thousands of dollars on promoting this scheme in a most public fashion which has been both expensive and unnecessary. There was general concensus that 80 000 families had purchased a house after 2 April 1986. To establish eligibility for Homesure, given there was a family income test, was therefore a relatively easy matter. The Government could have asked the home mortgage providers, the banks and building societies, to isolate the 80 000 families. I have spoken to these financial institutions, which have said that it was quite feasible. The Government could have borne the administrative cost of a direct mail by the financial institution to these 80 000 families, carefully explaining the Homesure scheme to them and inviting them to make inquiries about their possible eligibility.

So, we can see that the Bannon Government has been exposed in the most indecent possible way. It broke a crucial election promise on Homesure within weeks of the election. It was a deliberate cut; it was a scam; it was a sham. It was electoral fraud and deceit of the very worst kind. If people in the private sector broke promises like this regarding the quality of goods provided or services rendered to their clients, they would face a court appearance by courtesy of consumer affairs.

The hypocrisy of this Homesure manoeuvre was revealed in a sickening fashion yesterday in the ministerial statement by the Minister for Housing and Construction, Mr Kym Mayes. Mr Mayes had the gall to be disappointed with the response to the Homesure scheme, notwithstanding the fact that he had been a party to disfranchising 90 per cent of those who would otherwise have been eligible. He expressed surprise at the low number of people who had successfully applied for Homesure: 1 372 cases have been approved for a total expenditure on the scheme to the end of June of only $1.2 million. This is a sharp contrast to the expected 35 000 beneficiaries to Homesure at an annual cost of $36 million as expressed at the time of the Labor policy speech.

Mr Mayes's muttered remarks about the disappointing response to Homesure is a bit like the South Australian Football League officials being disappointed with an attendance of say 3 000 people at Football Park when it had shut the gates on another 27 000 people outside. That is the extent of the hypocrisy of the remarks made by the Housing Minister Kym Mayes, with the full knowledge and approval of the Premier and Treasurer (Mr Bannon).

Mr Mayes claimed that the introduction of fixed rate mortgage packages may have had an effect on the level of inquiries on Homesure. This argument is an absolute nonsense. The majority of potential beneficiaries of Homesure were those who had purchased homes in the years 1986, 1987, 1988 and 1989. It has been only in the last 12 months that fixed rate home mortgage packages have become common. although some major banks have yet to introduce fixed interest rate home mortgage alternatives.

I seek leave to incorporate into *Hansard* a table which sets out the statistical data relating to the Homesure scheme.

Leave granted.

HOMESURE—THE FACTS

THE ELECTION PROMISE ELIGIBLE IF	THE BROKEN PROMISE NOW ONLY ELIGIBLE IF
• Purchased first home after 2 April 1986 or • Purchased a home, other than a first home, after 2 April 1986 and are paying more than 30 per cent of household income in home loan repayments	• Purchased home after 2 April 1986 and are paying more than 30 per cent of household income in home loan repayments

LEVEL OF ASSISTANCE	LEVEL OF ASSISTANCE
$20 a week for everyone eligible	Ranges between $5 and $20 a week depending on interest rates—currently averaging $13.63
ESTIMATED NUMBER ELIGIBLE	ESTIMATED NUMBER ELIGIBLE UNDER NEW CRITERIA
35 000 Families	Less than 3 000 families
COST OF SCHEME IN FIRST YEAR	COST OF SCHEME IN FIRST YEAR
$36 million	$2.3 million maximum

The Hon. L.H. DAVIS: This Bill seeks to force the Government to honour its election promise. Parliament and politicians have enough difficulty gaining the respect of the public they seek to serve without governments breaking election promises in such a blatant and unscrupulous fashion.

I believe that the passage of this legislation will act as a reminder to future governments of all persuasions that they should honour election promises such as that made with respect to the Homesure scheme. Quite clearly, I accept that economic circumstances change which often would prevent Governments completing election promises made, in some cases, years earlier. I commend the Bill to the Council and I seek swift passage for this important legislation to enable it to receive full and proper consideration in another place. So, the Homesure Interest Relief Bill of 1990 is now before the Council.

Clause 1 is formal.

Clause 2 provides that the Act will be taken to have come into operation on 1 July 1990.

Clause 3 sets out the definitions required for the purposes of the Act.

Clause 4 sets out the criteria necessary to determine eligibility for relief.

Clause 5 provides that applications for relief will be made to the Treasurer. The relief will consist of a payment of $86 per month.

Clause 6 is a regulation-making provision.

Clause 7 provides that the measure will expire on a day determined by the Treasurer by notice in the *Gazette*. The Treasurer will not be able to give such a notice until the Under-Treasurer certifies that housing loans are generally available at a rate of interest that is less than 15 per cent per annum.

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

ADDRESS IN REPLY

Adjourned debate on motion for adoption.
(Continued from 7 August. Page 46.)

The Hon. T. CROTHERS: Rising as I do today to contribute to the Address in Reply debate, I should like at the outset to pay a tribute to the dedication shown to his duties by the State's Governor, His Excellency Lieutenant-General Sir Donald Beaumont Dunstan, in this the last year of a long term of office. His devotion to the carrying out of the tasks which accompany the duties of his office has been truly remarkable, and I for one wish him and his wife Lady Dunstan a long and happy retirement, secure in the knowledge that, while some of his predecessors may have served South Australia as ably and well, none, in my view, has served it better.

Having placed that matter on record, I would now, if I may, like to address some part of my speech to events which have occurred in the decade just gone, events which I perceive will have an enormous bearing on the future wellbeing of Australia and of the lifestyle of our citizens both here in South Australia and, indeed, the rest of the nation.

Australia and, indeed, South Australia have, since the time of European settlement, been linked by tradition with the histories and the economies of other English-speaking nations. Indeed, Australians have fought and died at the side of the United Kingdom during the course of five wars, and they are worth naming—the war in the Sudan, the Boer war, the first world war, the second world war and the Korean war—and on four occasions on the side of the other English-speaking world power of the twentieth century, the United States of America. I suggest that it is worth recording for *Hansard* just what those occasions were. They were the first world war, the second world war, the Korean war and the Vietnam war.

It is worth noting that the Vietnam war was the last occasion on which Australia participated in a world war, and indeed it is again worth contemplating the fact that on the occasion of the Vietnam war the United Kingdom did not participate. That was the very first occasion on which Australia, in its 200 years of European history, did not find itself fighting alongside troops from the United Kingdom. I believe that it is well worth members' while to ask themselves why this should have been so. Indeed, I would like to suggest that the United Kingdom, on the occasion of the Vietnam war, was marching to the beat of a different drum from the one to which she had marched at any other time during Australia's 200-year history. I would put it to this Chamber that the beat to which she was marching was that of the European Economic Community.

The lesson of that, and, indeed, the lesson for Australia to learn, was the fact that Australia was left in the lurch during the second world war. I believe that factor is crystal clear: Australia could no longer depend on the United Kingdom for any form of support. The United Kingdom had cut the umbilical cord to Australia.

I believe that if we delude ourselves into thinking that the United States will take the place of the United Kingdom in our foreign policy formulations, we would do well to think again. Already the withdrawal by America, after having sucked Australia into the conflict, from the Vietnam War demonstrates that, if it suited its policy, it would put its own interests first and to hell with Australia's. The lesson to be learned, whether we like it or not, is that Australia must shift for herself. Failure on our part to understand that must ensure that at some future time we will pay a very terrible price for not shifting for ourselves.

I believe that to get an even deeper understanding of that we should examine the happenings in Europe of the past decade. The past decade in that continent has, in my view, seen events occur which will in no small measure shape the destiny and the future of the rest of the world for the next 100 years or more, and we would do well to understand them.

During the period 1980 to 1989, we have seen the 10 nations of the European Economic Community merge ever more closely together. By 1992 that merger will have become much more complete. By then they will have abolished their frontiers, they will share the same currency and share in many other things which by tradition have been the prerogative of national Governments in Europe. In short, their merger at that time will have become so complete that there can almost certainly be no going back on it. Couple that with the glasnost and the perestroika introduced by the Russian Government into Russia and the rest of the War-

saw Pact nations and we have a recipe never before seen for a United States of Europe.

We already see that East Germany, by virtue of its realliance with the rest of Germany, has entered into the European Economic Community. Indeed, in my view, it can only be a matter of time before nations such as Poland, Yugoslavia, Hungary and Czechoslovakia will also become members of the EEC and perhaps in time even Russia herself if those events occur, and I am certain in my mind that they will.

This will obviously in the short term have a detrimental effect on Australia's export trade. Do we as Australians still think that we will have access to Europe for the export of our primary products? Of course not. Do we still think that we will have access to Europe for the export of our mineral raw materials or manufactured products? Of course not. Do we still think that Western European nations will still invest as much capital in Australia as has formerly been the case? Of course not. I remind the Parliament that in respect of the level of that investment, in 1979 the United Kingdom invested 22.9 per cent of all capital investment in Australia. Today, 10 years later, that investment level has reduced to 18.8 per cent. The United States, as at June 1979, invested one third of all capital moneys invested in Australia. Ten years later it is 18.2 per cent—reduced by almost half. Other European capital invested in Australia in 1979 was 23 per cent. Ten years on, as at 31 December 1989, that has been reduced by half to 12.1 per cent.

Recently I stated that the access into European markets that we currently enjoy will in my view be lost to us. What in fact I think will happen is that the EEC, with 1992 coming up and with glasnost in place, will start placing its investments into the Warsaw Pact nations which, in their turn, will then import the surplus Western European primary products and, in addition, import all of their requirements both as to technical and manufactured goods. I am as certain as there is a sun in the heavens that that is exactly how the European scene will pan out and, if it does, that will blow Australia out of any access to the total European export markets to our very great detriment.

Obviously if the foregoing is correct, then we as a nation have to start contemplating now what we can do to shore up what would then be our own declining economy. Indeed, we may well ask ourselves whether there is anything that we can do. I believe that there is. In fact, I think that the national Government and the Bannon State Government have already, and have for some considerable time, understood the oncoming problem and have been working away at it with not inconsiderable success.

Consider the nations of Asia to our north and their population of almost 3 billion people and the further fact that a number of those nations, such as South Korea, Thailand, Taiwan and Japan as well as India and China, have become, or are becoming, industrial giants in their own right by any global standard by which they may be judged.

It follows that those nations to our north would be in a position to afford to buy any of our export products and, indeed, to take the place of any European export markets, which I, for one, certainly believe we will lose. One of the problems that confronts us at the moment is that part of the world is, in some areas, politically unstable. For instance, we currently see problems between the Tamils and the Sinhalese in Sri Lanka, the problems between Pakistan and India over Kashmir, the ultimate solution of the ongoing problems between mainland China and Taiwan, the problems in Burma, the problems between the two Koreas, the problems in Cambodia and last but by no means least, the internal problems in China, given the recent killings in Tian'anmen Square. It is quite obvious that if Australia is to be an effective trading partner with our northern neighbours the very prerequisite necessary for that is for stability of a very high order to prevail or, alternatively, for us as a nation to form an alliance with a stable nation to our north.

We may ask ourselves whether such a nation does exist. The short answer of course is that it does; it is Japan. I can well understand that, as a result of the Second World War and the atrocities which were committed during that time by the Japanese military, how it is that many Australians may well find that this is a very bitter pill to swallow. It may also be that the Japanese as a people have very bitter memories of the Second World War because of the dropping of the atomic bomb on the civilian populations of Hiroshima and Nagasaki. However, either way, it was 45 years ago and I believe that compulsion for us is no choice at all.

We all go crook about the amount of money that Japan invests in Australia and some say that this means we are selling out our birthright, but that certainly was not the historical case during the nineteenth century in America, when America's might as a nation emerged as a consequence of massive investment into that nation by the United Kingdom, and that occurred only some 30 years after the United States and Britain had been engaged in massive conflict. Most certainly it did not affect the independence of the United States, and neither, I believe, would Japanese investment in Australia affect us.

What then of our future and that of the untold generations of Australia's unborn sons and daughters? Quite simply put, we must recognise that the geographic location of Australia places us in the Asian region. We have, I believe, with the emergence of the multifunction polis, a once only chance of redressing the balance of Australia's future economic wellbeing. We must not lose it. Indeed, if it comes off as it should, Australia will owe much to the Hawke Government for getting the Japanese interested and an even greater debt to the vision and courage that John Bannon has shown in attracting it to South Australia.

I do not know what position the Liberal Party will take relative to the MFP, but I do know that the Democrats have, at least on a national basis, decided against supporting it. I think that is a great shame and one which both they and Australia will come to regret, for a number of obvious reasons that I have already stated. It clearly shows me that the Democrats nationally, in their race to try to make their opposition to the MFP one for electoral enhancement purposes only, have not, nor will not, try to understand that, as a result of events of the past decade, all politicians in Australia, at both national and State levels, can no longer afford to have a narrow political vision centred only on their own political survival.

Clearly, events of the past decade dictate that if we are to succeed in promoting our own people's best interests then we must have political vision of an international standard, even if it is only to ensure that the world is to survive the ravages of environmental damage. I place that on the record because we all know how interested the Democrats are in trying to preserve our environment. Do they not understand that if they take a narrow national view in respect of political enhancement, to gain them some pluses at the polls, they will tie their hands in respect of giving Australia any capacity to deal with the environment in a well-meaning and, indeed, well-directed way with respect to the earth's people? Failure to understand that the past decade has changed the position of the world from that of the threat of the cold war to that of the threat of global warming is reprehensible on the part of any politician or political Party to which he or she belongs. If any Australian political

Party wishes to ill use any debate of the moment for its own ill-gotten political gain, I am sure that this will ultimately lead to its demise, and so it should.

I do not know, as I have said, what the attitude of the Liberal Party or the Democrat Party in this State is as to the future of the MFP in this State. In the interests of all South Australians I earnestly hope that they will support the State Government's promotion of it. Once again, I would support Premier Bannon for his absolutely splendid work in obtaining it, and I place on the record that, in my view, long after we have all gone from this place this will be considered the outstanding achievement of his career, in what can only be said by any objective person to be an outstanding career.

In conclusion, I place on the parliamentary record a couplet, which if either the Liberal Party or the Democrats choose to ignore the warning that I have delivered to them on the MFP will serve to continue as a timely warning to them. It is:

> Of all the sanctimonious sounds of woe that e'er like owl's song on the wind were cast are those solemnic words 'I told you so' uttered by friends—those prophets of the past.

I thank you, Mr President, and my other parliamentary colleagues for listening to me and I hope that I have managed to influence them in respect of any decision they will make on the MFP in the future. It is my view, purely and simply, that for us to optimise the effectiveness of what we can do with the MFP the best way forward is for all political Parties to support the State Government in what I believe is a very worthwhile project.

The Hon. T.G. ROBERTS: I rise to support the motion and I would also like to pay my respects to Sir Donald Beaumont Dunstan and Lady Dunstan for the job that they have done in carrying out the duties of Governor of this State. I look forward to the appointment of the next Governor. I wish to address a couple of matters that were raised in the Governor's speech.

The Hon. R.I. Lucas: The MFP?

The Hon. T.G. ROBERTS: Not specifically the MFP, but the points raised in the Governor's speech in relation to issues concerning an industrial base, restructuring and streamlining of tertiary institutions. South Australia does have to try a lot harder than many of the other States to secure an effective base from which to operate. If one reads the newspapers, one will see that South Australia is showing that it is doing it much better than a lot of the other States. We do not have all the natural attributes of some of the other States, particularly Queensland and Western Australia. We just have to do everything a little bit better than other States—

The Hon. R.I. Lucas: Do you support the MFP?

The Hon. T.G. ROBERTS: The Hon. Mr Lucas asks me if I support the MFP. At least South Australia does have the opportunity to at least examine the MFP in all its contexts. Queensland, New South Wales, Victoria and Western Australia do not have that opportunity, because their submissions were not successful. They do not have an MFP to look at to see whether or not they support it.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: Tasmania does not have an MFP to look at to see whether or not it supports it, because it did not put in a submission. The proposition put forward for this State to look at is the one that I support. In the early stages of the submissions that were floating around, based on the Silver Columbia models that were proposed for Queensland, the proposals that South Australia put forward were those for which it has come to be known, and it was able to support those proposals that had substance. The model that was preferred by a lot of people in Queensland will probably still come about, not in the form of a multifunction polis, but I am sure that they will still get the investment directed into those retirement leisure areas that the Queenslanders will naturally chase.

South Australia has a project that has some substance, but it is not a leisure project; it will have leisure programs and life-style programs associated with it, but it will have those aspects of a multifunction polis that will bring about those necessary benefits that, hopefully, the rest of the State can feed off. I hope that, in my Address in Reply debate contribution, I can also show that the restructuring program that is going on, both nationally and in this State, should put Australia on a sound footing to compete in a difficult time. This was referred to by my colleague in his Address in Reply speech, with reference to the restructuring program that is occurring internationally, under difficult circumstances. There has been a lot of rapid change since the last Address in Reply debate. Europe has restructured; Central Europe and Asia are now finding themselves in a restructuring mode; Japan is playing the role of a major investor in the world; and, of course, we must have international financial support and assistance to get our restructuring programs off the ground.

One of the problems that was raised earlier in a question by the Hon. Mr Griffin, about the NSC, is one of the programs that need to be addressed, but the National Securities Commission program of restructuring must be put in alongside the restructuring programs being put in place in the manufacturing sector and the tertiary institutions sector. We need to do that to improve the productivity and export potential of our manufacturing industries and our essential components in our macro and micro-economic reform programs of the 1990s.

Reregulation of our banking and finance sector is also something that needs to be looked at, to prevent some of the excesses that have occurred over the past few years, where we have had major corporations and major entrepreneurs going through the hoop, one after the other. If there had been stronger regulations in those areas, those corporate crashes may not have occurred. For those of us who remember 1986, when a number of entrepreneurial names were prominent, if one listened to the radio, one would have heard the Philip Satchell program and many other programs talking about the entrepreneurs who were starting to emerge in that 1985-86 period.

The Hon. R.I. Lucas: Give us names.

The Hon. T.G. ROBERTS: There were Mr Bond, Mr Skase, and a number of others, although Mr Holmes a Court withdrew diplomatically. He was one of the entrepreneurs who were operating at the time when there were a number of management buy-out schemes of major companies and restructuring of the ordered assets of a lot of traditional companies. I have already asked a question in this place about the restructuring of Elders Pastoral, which has been restructured on a management buy-out scheme that has disadvantaged the whole of this State to some extent and has contributed to the population drift away from those centres in the country areas to the metropolitan area. There is some need for us to look at how these management buy-out structures are affecting small investors and superannuation rollover schemes, where people invest their money in those companies and their money ends up being siphoned off into other companies without their knowing where their money has gone. We have seen the recent crashes of the Pyramid and Farrow Corporations, which have taken a lot of small investors' savings with them.

The restructuring that has occurred has been mainly in the province of the manufacturing sector. The finance sector has not restructured; it has gone into probably the worst stages of *laissez-faire* capitalism without any controls at all, and we are now seeing the problems associated with that. I would argue that there needs to be reregulation of the finance sector to protect small investors so that, when they ultimately retire, their funds will be able to be used to supplement their pensions and that their quality of life and standards of living are protected as they go into their twilight years. I am afraid that, at the moment, that is not the case.

If one looked at television programs which showed the faces of those people who were lining up at Pyramid Building Society centres, or were at least trying to give out information, one would have seen that a lot of the people were not the high flyers in our society; they were hard working people who had worked all their lives, who had placed their money into these institutions not knowing that, in many cases, there were management buy-outs of these companies and who had thought their money was guaranteed. That was not the case, and I would hope that the restructured National Securities Commission, with the cooperation of the States' contributions, can bring about some legislative changes. In fact, I do not think it needs legislative change; it just needs the promulgation of the Federal Act that was initiated in 1974 by the Hon. E.G. Whitlam in the Labor Government, but it was never promulgated and, if it had been, we might not be seeing the problems that are now occurring.

The restructuring process within the manufacturing sector is not solely the preserve of the trade union movement, but it is also the province of management. By and large, current management programs are inadequate. A new breed of management and management structures are necessary. As I said before, regulation of the finance industry is essential, alongside the restructuring programs and the changes in management techniques to enable us to achieve the necessary changes that will put Australia back on a competitive footing.

A big picture approach by management and employees is necessary to gain an overview of industrial company structures and to gain the confidence of employees that the industries in which they work have not only the employees' interests at heart but also a long-term view in the future of either the domestic market or the future in exports. There is nothing so satisfying for employees working in those environments as knowing that they are satisfying a domestic market with a product that is socially acceptable, well made and reasonably priced and also that they are making excess volumes that contribute to exports. A linking of attitudes occurs, where one comes across companies that operate like that and take their employees into their confidence, and one finds that a far better working relationship is achieved.

A far better quality is achieved, quality standards are improved and morale is generally far higher than with those who either patronise their work force or are involved in these takeovers and buy-outs, where the management structure is changing almost quarterly, where the companies' big picture is constantly changing and where the assets have been stripped off to a point where the employees cannot put out a product competitively with any quality or any surety of volume.

So, I hope that employers will take their employees into their confidence and paint that big picture for them, so that they have an overall view of the industrial company structures, products, business plans, product development, marketing, design, plant utilisation and sales. If all this is done, you will have a management structure and employee structure that will blend together to achieve the productivity levels and quality levels that will allow those companies to remain competitive.

Unfortunately, the opinions of the leading Australian organisations in both the private and the public sectors, as well as the trade union movement, the OECD and the Federal Government, do not paint a very glossy picture of some of the management structures in Australia. I guess you cannot throw a blanket over them all but, in general, the employers' management structures need to change to allow the restructuring processes that are occurring within the trade union movement to complement each other.

Australian management techniques are out of date and fail to match international standards, according to a report by the Australian Chamber of Commerce and the Commonwealth Bank. In an article in the Melbourne *Age* of 13 March 1990, Patricia Howard states that it is no longer good enough to blame the workers or the unions and that the sobering fact is that most of the managers in all types of businesses are running their companies the old-fashioned way. The article continues:

> The concentration is still on productivity increases obtained by newer, faster and more expensive value adding machines, computer systems and processors. This approach is now doomed to failure as the number one priority for developing most companies.
>
> The findings support the Federal Treasurer (Mr Keating), who has argued that Australian management must do more to boost the nation's industrial performance and export achievements.
>
> The report refers to a structural steel company in the eastern suburbs of Melbourne which had more advanced equipment than a similar company in the United States but was producing only one fifth of the output per employee of the United States company.
>
> It argues that managers must make more efficient use of the resources at their disposal, by boosting the 'value-adding' time during the production process and becoming more internationally competitive. The challenge lies fairly and squarely at the feet of senior management.

So, it is just not enough. Ten years ago we were calling for Australian manufacturing to become competitive by buying the latest plant and equipment but, as that report shows, the buying of the equipment in itself is not a means to an end. There needs to be a cooperative approach and a new management approach to ensure the integration of the plant and equipment, sales techniques and management techniques, not just for domestic output but for export management. An article in the *Sydney Morning Herald* of 29 June 1990 says that our top managers do not rank so high. Paolo Totaro, the education writer of the *Sydney Morning Herald*, when quoting the Federal Minister for Education (Mr Dawkins), said:

> Australian managers and senior administrators are markedly less qualified than their overseas counterparts and must be encouraged urgently by their employers to further their skills.

We hear a lot in the media about the education standards of employees, but I am raising this as a matter of interest; the employers need to lift their game as well. The ACTU and the Trades and Labor Councils around Australia are trying at this stage to raise the levels of education of their own members within the manufacturing sector, with some employers offering support in basic reading and writing skills. However, it must go a long way yet before both the employer and employee skill levels match the technological levels that have been introduced over the past few years.

Both the Federal Government and the ACTU concur in the sentiments of the Australian Chamber of Commerce and Commonwealth Bank report for the need to restructure managment techniques, and it is significant that these people agree. The ACTU, a key component and pioneer of the successful outcome of restructuring within Australian industry, is concerned that the Australian industry is crisis driven,

with many employers paying little or no attention to the valuable suggestions that employers make in the restructuring process.

As I said before, you cannot throw a blanket over management skills or lack of them: there are some who participate in a real and valuable way, and others who play no part at all. The ACTU Research Officer, Max Ogden, who was a colleague of mine at one stage, pointed out in an article—

The Hon. R.I. Lucas: When was he a colleague of yours?

The Hon. T.G. ROBERTS: He was an education officer with the Metal Workers Union. He pointed out in an article that Australian industry is crisis driven and that workers were finding it increasingly difficult to discuss crucial work related issues with management, unless there was a major crisis or change. That tends to happen with each downturn: management does not look for ideas on production methods or modes while there is a buoyant economy; it occurs only when the restructuring process starts to impact on their particular manufacturing area when there is a downturn, such as we are experiencing now.

Trade unions and their elected representatives are actively cooperating in restructuring programs, and the amalgamation process within the trade union movement, the changing of award structures and trade classifications, and the pursuit of education and training programs to cope with advancing technologies, shows the maturity and commitment of trade unions and unionists to restructuring in the economic national interest.

I will add there that many employers are also cooperating in that sort of call. They are encouraging their employees to go off the job and take up TAFE courses, and encouraging TAFE to run courses on their own premises and to integrate training programs with dual curricula run both on the manufacturing premises and back on the TAFE premises.

The Hon. R.I. Lucas: GMH?

The Hon. T.G. ROBERTS: GMH is part of that, as is Tubemakers. There are also a number of rag trade industries. Perhaps I should not call them rag trade, since they now have a new image. They are the fashion, garment and apparel industries, and they are cooperating in joint ventures with equipment, using CAD/CAM equipment placed inside TAFEs and inside manufacturing centres for dual working relationships, so that small employers can have the benefit of the high cost of many of those technological advances that they may not have been able to afford themselves.

On a cost share basis with TAFEs and with other small employers, they are able to maintain standards, quality and volume—which is important in competing with imports. If we do not encourage that sort of thing with small business, there is really no future in Australia for business itself and the growth of potential jobs in those areas, because it is small business, basically, that provides the backbone—

The Hon. R.I. Lucas: Is that Marleston TAFE?

The Hon. T.G. ROBERTS: Yes.

The Hon. J.F. Stefani: What do you think of the training levy?

The Hon. T.G. ROBERTS: I think that the training guarantee levy was an unfortunate 'must'. It is something that was imposed on employers that would, perhaps, have been done better in some other way had we had the cooperation of all employer organisations. Unfortunately, it was the progressive employers who realised that industrial training programs had to be put into place and who were going to be in the advance, I guess, of the training guarantee levy. However, exemptions will be granted to those who are already running their own programs.

Unfortunately, other employers were feeding off those who were prepared to put their own training programs into place, and I hope that the training guarantee levy will even out the contribution that employers will make to lifting up those skills and the standards about which I was talking.

I would have preferred to see all employers training their own people on the job to the required skill levels for their particular programs, but unfortunately that did not happen. We do not have the required uniformity of training programs and, because of the urgent need to put these into place, the Government has had to do something to make sure that all employers take part in the financing of those skill developments. It is not good enough any more for some employers to rely on other employers to conduct training programs, and then offer wages slightly over the award in order to attract workers away from those industries where they have gained their skills and training. Those employers who filch employees by offering over-award payments are not paying their way. Hopefully, the training guarantee levy will overcome this problem.

The amalgamation process within the trade union movement and the changing of award structures and classifications show that the trade unions are doing as much as they can to facilitate the centralisation of their own decision-making programs to allow for the facilitation and transfer of information through their organisations. It shows the maturity and commitment of the trade unions and the unionists towards restructuring in the economic national interest.

Some employer organisations and the Liberal Party have on some occasions called for increased legal penalties. I am sure that those calls have not come from members on this side of the Council because they are more aware and advanced in their understanding of what happens in the real world. However, some organisations still call for increased legal penalties to be implemented against workers who strike over various issues. I am afraid that this demonstrates a blinkered vision for future Australian industrial relations and management techniques because, in the first instance, most disputes can be avoided and, in the second instance, in my experience, penal provisions have never brought about the end of a dispute any quicker than if it had been done through negotiation.

The Business Council of Australia, as quoted in the *Advertiser* of 17 July 1990, infers that compliance measures enforced into awards will stop minor strikes. I do not agree with that statement at all. With good management practices and good trade union structures on site, well-educated shop stewards, who are well versed in conflict resolution through their elected bodies, and through the trade union training authority, can talk through and work out most problems that are regarded as small or wildcat disputes that are held without consultation with elected representatives.

It is this blinkered approach in the industrial arena which has earned Australian management techniques the criticism of leading business leaders, the ACTU and the OECD. In an article in the Melbourne *Herald* of Thursday 26 April 1990, Stephen Dabkowski, an economics reporter from Canberra, states:

> It recommends that business initiate change in areas such as:
> - Ensuring the appropriate negotiating structures are established.
> - Increasing line management's role in industrial relations.
> - Undertaking negotiations with the various union groups to improve coordination.
> - Making clear the costs of existing rigidities.

The article then talks about ways of overcoming those problems. Dispute settling procedures cannot be resolved by coersion through the legal process. A clear recognition of

the issues in dispute, negotiation and consensus are part of the restructuring process. If employers cannot learn that, I do not hold much hope for their future. What is the hidden agenda behind the move by the Liberal Party and those employer organisations to remove the right to strike? The Liberals and the corporate sector supported draconian legal and legislative measures against the right to strike, yet opposed legal and legislative government regulation to prevent corporate cowboyism, which I highlighted earlier in my Address in Reply. This leads to a double standard. I suppose that this does not only apply to the conservative side of the political spectrum but also to some sections of my own Party.

It is important to understand that strike action was mostly employed by workers as a last resort to redress failures by employers to implement wage indexation adjustment flowons, occupational health and safety issues and basic standard improvements to working conditions, all of which I believe can be done through negotiation in a mature way. The right to take industrial action is a basic human right and a central element of a just society. It is a human right commonly protected in those countries which have a good record on human rights and democracy but is absent in those with poor records.

Failure to implement the restructuring of management and work practices will cost the Australian economy dearly. The closure of Hexham Engineering in the Hunter Valley is a stark reminder of this. Two years after management and workers sealed an ambitious industrial agreement on restructuring, and, with $12.5 million in capital investment barely complete, the plant closed in December 1989. After years of protracted disputation, an agreement was entered into in 1986 to restructure work practices. However, the Hexham restructuring agreement was ratified by the Conciliation and Arbitration Commission in 1988.

Employee participation in management was formalised through a work consultative council, and differences between the unions and management were worn down. Management also began to restructure. Bill Nolan, the company's General Manager, cited the ultimate failure of the company when he said in the *Business Review Weekly* of 24 November 1989:

> 'Our whole future lay in the change in direction. We had to go through and get into new markets.' Last year, 40 per cent of Hexham's sales came from outside Coal & Allied, and management was learning about exporting and developing new markets. 'The reason we failed was because we lost that base workload,' Nolan says. 'We didn't get into new markets quickly enough.'

There are a number of other reasons for that company's failure. Although the injection of finance was present and there was goodwill on both sides, they did not get their act together quickly enough.

The fact that 20 per cent of our leading corporate bodies are heavily in debt and that corporate crashes have cost $10 billion to the Australian economy means that tough legislation against corporate cowboyism should be supported. In 1980 we saw large enterprises grow through the dubious use of shareholders' funds and tenuous borrowings. There have been securities investigations into holdings and allocations of funds into personal fortunes. Charges have been laid for insider trading, tax avoidance, price fixing, bottom of the harbor schemes, and others. Basically, all we see is the criticism of the work force for not being able to restructure, but I think if we follow the popular press we find that it is the financial sector of our economy that has let Australia down and not what I call the business structure or the workers.

The Australian Securities Commission initiative deserves strong support. It was enacted on 1 July 1990 and will be fully functional by January 1991. It is essential that it has the full resources at its disposal to monitor and regulate against corporate malpractice to stamp out criminal activity in the corporate sector. The *Advertiser* of 12 May notes that 'the Australian Securities Commission package passes the Senate with some amendments'. As I have said, the Opposition supports the restructure of the ASC and the contribution that the States will make to it will complement the Federal legislation and hopefully outlaw the corporate practices to which I have referred.

The current debt crisis and crises in the corporate and financial sectors of the economy are a direct result of the end of the speculative 1980s boom in the stock and property markets. Deregulation of the finance and banking sectors of the economy has a direct bearing on the collapse of corporate bodies as well as credit institutions which, in turn, has added to the debt problem. In return, speculative investments and resultant crashes have seriously undermined Australia's manufacturing industrial base and our international reputation as a reputable trading partner in the global economy has been adversely affected. If we get to the position outlined by the Hon. Mr Crothers earlier of winning back that reputation and getting into the restructured international models, then we certainly ave to lift our game and get that legislation enacted so that the international community can have some respect for our financial institutions and manufacturing sector in being able to pull ourselves out of the difficulty in which we find ourselves.

The human factor, more importantly, is that low to medium income earners, pensioners, and so on, have lost entire life savings, superannuation and retirement benefits in what they regarded as safe credit institutions. Regulation is essential if confidence is to return to our finance sector and if stability is to be restored. According to Kenneth Davidson, the economic commentator for the *Age*—

An honourable member: He's a good Labor man.

The Hon. T.G. ROBERTS: He's a good Labor man. Mr Davidson states:

> Looking at the excesses of financial deregulation, banks are the worst offenders in irresponsible lending.

The media has turned a fair bit of attention in recent times to some of the problems associated with the banks. Mr Davidson has pointed out that gross lending over the stock and property boom period has resulted in an estimated $8 billion in non-performing loans. If we add that to $10 billion of losses through unregulated financial activity, we can see what has happened to the Australian economy. Loans have to be rescheduled, with the risk that they may not be paid off and will have to be carried by the banks. Instead of the banks taking losses, Davidson states that performing bank loans are cross-subsidising non-performing loans. This means that high interest paid by millions of working people with home mortgages helps to cover the riskier loans to corporate speculators. As bank deposits are guaranteed by the Reserve Bank and, due to deregulation, the banks have eroded the market of credit institutions, banks are the 'worst offenders and the biggest gainers', concludes Mr Davidson. The oversupply in the commercial building market has led to a substantial collapse in the value of investments; hence, several property trusts are now facing collapse.

We can see that Australia really needs to get its act into gear. The people who are being blamed for the present crisis and the ones who will feel all the pain will be the workers. Working people will be thrown on to the unemployment scrapheap as a result. We can now see that 6.5 per cent average unemployment will grow. The soft landing that we have been told about may be turned into something a little harder than what people have been predicting. But, as pointed

out in my Address in Reply speech, the financial sector is one of the sectors which has to bear full responsibility for that situation, because it used *laissez faire* corporate mentality. I mentioned that deregulation was part of the problem, but many of the investment programs that Australia put into place and a lot of the foreign capital went into the leisure industry, not the manufacturing sector. The manufacturing sector is crying out for long-term investment programs which, unfortunately, in many cases did not materialise. The instant dollar return that was required by some of the portfolios for investment were the ones which were given the highest priority. The manufacturing sector had to fight hard against the high interest rates in the competitive marketplace for those dollars to re-equip. Unfortunately, it was the entrepreneurs who let Australia down, not those who are involved in trying to pull Australia out of the difficult situation that it is in by setting up a revitalised manufacturing sector and manufacturing surpluses for export to reduce the balance of trade problems with which that we have been grappling with.

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

ADJOURNMENT

At 6.1 p.m. the Council adjourned until Thursday 9 August at 2.15 p.m.