LEGISLATIVE COUNCIL

Wednesday 12 December 1990

The PRESIDENT (Hon. G.L. Bruce) took the Chair at 11 a.m. and read prayers.

SITTINGS AND BUSINESS

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

That Standing Orders be so far suspended as to enable Question Time, Notices of Motion: Private Business, and Orders of the Day: Private Business, to be postponed to a later time of the day and to be taken on motion.

Motion carried.

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

That the sittings of the Council be not suspended during the continuation of the conference on the Local Government Act Amendment Bill.

Motion carried.

ELECTRICITY TRUST OF SOUTH AUSTRALIA ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 December. Page 2348.)

The Hon. L.H. DAVIS: The Liberal Party has no difficulty with this Bill, which seeks to amend the Electricity Trust of South Australia Act. The Bill seeks to do a number of things. Its central purpose is to establish an Electricity Trust superannuation fund in such a way as to protect it from the recently imposed Commonwealth Government tax on superannuation funds.

We have had through this Council in recent months similar measures which seek to protect State Government run schemes from the effects of the Commonwealth Government superannuation tax. The South Australian Superannuation Fund, the police superannuation fund and the Parliamentary pension fund have all been the subject of measures designed to protect them from such a tax. The Opposition has already made the point that it is perhaps somewhat anomalous that such funds can attract the shield of the Crown and so be advantaged as against their private sector counterparts.

The effect of the Bill is that employees will continue to pay tax on their superannuation benefits and there will not be any avoidance of tax, as such, on benefits payable to ETSA employees. The tax on benefits will be paid when the retiring employee receives the benefits. However, no tax will be paid before that date. To obtain the protection against the Commonwealth Government tax, ETSA employees in the superannuation fund scheme will be required to pay their contribution directly to the Treasurer of South Australia, as distinct from paying it, as they have previously done, into the Electricity Trust superannuation fund.

Then, the Bill requires the Treasurer to pay into the Electricity Trust superannuation fund an amount equal to the contribution paid by members to the Treasurer. In other words, the Treasurer is acting as a conduit to avoid the requirements of the Commonwealth Superannuation Tax Act. That is the main purpose of the Bill. Other amendments to the parent Act provide, first, that an Electricity Trust of South Australia Superannuation Board shall be established. That board will consist of four members elected by contributors, one member appointed by the trust on the nomination of the Treasurer, and three other members appointed by the trust. The Liberal Party has no objection to the composition of the board. The other matter contained in Division VII of this amending Bill relates to proposed section 43s. That proposed section provides:

> The board must, on or before 31 October in each year, submit a report to the Treasurer on the operation of this Part and the rules and on the management and investment of the fund during the financial year ending on 30 June in that year.

That is a provision commonly required of departments and statutory authorities. In fact, there is a reporting requirement in the Government Management Act. I make the observation that are many statutory authorities and departments notwithstanding the regular protestations from this side of the Council, have not reported within the due date. However, I am pleased to say that the Electricity Trust of South Australia has been regularly prompt in the delivery of its annual report for public scrutiny.

The only other matter that I wish to address is that the Electricity Trust of South Australia has come under some criticism in recent times for being relatively inefficient and having relatively high costs in its production of electricity as compared with other States. In June last year, in major speeches in this Chamber, my Liberal colleagues and I drew attention to the fact that the Electricity Trust was overmanned, that its costs of production of electricity were arguably the highest in Australia, and that Leigh Creek was a very costly source of coal for the Northern Power Station.

We were alarmed to note that the price of extracting coal from Leigh Creek was increasing at well over double the rate of inflation. We were also disturbed to note that the Government was persisting with what we believed was the folly of developing the Lochiel coal deposit, which was sulphurous, of low content, uneconomic and arguably the worst coal that could ever be developed for commercial production in Australia. Yet the Government had spent $25 million on trying to prove that the waterlogged coal deposit at Lochiel was the best option for South Australia's future energy needs. Given the growing concern around the world about the environmental difficulties associated with high sulphur content coal, the Government persisted with the notion of developing Lochiel. It is still the official policy of the Government.

However, Lochiel is within 50 kilometres of the Clare Valley, one of Australia's top white wine growing districts, and there is no question that the consequences of developing Lochiel as a power station site would have been highly damaging to the Clare Valley. In fact, power station experts confirmed to a select committee of the Legislative Council that a flue 300 metres high would be necessary to effectively dispose of the gases emitted from that power station. Even so, it would not overcome the environmental hazard, not only to the grape growing regions of the Clare Valley but to the surrounding prime agricultural areas.

On more than one occasion I have referred to the fact that, from 1983 until 1989, there was a period in the Electricity Trust which could best be described as the Dark Ages, when very few initiatives were taken to make the Electricity Trust an effective and efficient producer of electricity. South Australia, which has been faced with a shrinking manufacturing base, was being confronted by Queensland and New South Wales, in particular, which were freezing electricity prices year after year and, over time, that quite clearly would give those States a distinct competitive advantage. For some manufacturers, electricity costs are a significant part of their production costs—it could be as high as 6 or 7 per cent. In fact, examples were given where Queensland and New South Wales were actually advertising the fact that they had cheaper electricity. They used it as a bargaining chip to attract development to the State. South Australia simply has been unable to do that.

Mr President, that, really, is not relevant to the Bill, and I am delighted that you have exercised your considerable discretionary powers in allowing me to traverse far and wide in this second reading contribution. In conclusion, I am pleased to say that the dark period of the Electricity Trust from 1983 to 1989 has been replaced by a period of enlightenment. The new General Manager of the Electricity Trust, Mr Robin Marrott, who comes from the private sector, is leading the Electricity Trust out of the wilderness into the real world. The Government, having attempted to argue that what I was saying last year was a nonsense (namely, that the Electricity Trust was inefficient and costly in its production of electricity compared with its interstate counterparts) is now admitting the truth of the argument—18 months later.

The Electricity Trust is slicing at least 500 people off the work force. It has confirmed that what Swann Consultants said a few months ago about its inability to compete in a cost-effective way against its interstate counterparts was, in fact, correct. It is now admitting that the important report of the Industries Assistance Commission last year, pointing this out, is also correct. But the sadness is that the slicing of 500 employees out of the fat of the Electricity Trust has cost South Australians at least $15 million a year more for the last two or three years than it should have. Arguably, if this nettle had been grasped two years ago we would have saved the taxpayers of South Australia $30 million. It has been this inability of the Bannon Government to grasp the need for micro-economic reform that has cost the taxpayers of South Australia dearly.

One of the great myths about the Bannon Government is that it is a reforming Government, but if one looks at all the mainland States of Australia, where does John Bannon sit in terms of economic leadership? He sits stone motherless last. Nick Greiner manages New South Wales as if it were a business, and he will win the next election by the length of the straight because the people of New South Wales have come to respect the fact that, by cutting out the fat from the public sector, their taxes will be kept in check. Nick Greiner is talking about corporatisation, privatisation of many Government functions.

In Queensland, Premier Goss, benefiting from the very comfortable financial position he inherited in that State, is talking about private sector power stations. He is talking about options for corporatisation. He has a green paper looking at corporatisation of Government functions. In Western Australia and in Victoria the embattled Labor Governments have been dragged screaming to the playing field of privatisation, out of economic necessity.

The left wing Premier of Victoria, Joan Kirner, who has embraced the takeover of the State Bank of Victoria, is selling off a billion dollars worth of forests (which is one heck of a piece of privatisation; in fact, it is in the Maggie Thatcher league), and is also examining the options for the Victorian coalfields. Premier Carmen Lawrence in Western Australia, who has inherited a similar financial bog, is accepting likewise that the next power station in Western Australia should be constructed by the private sector.

But, where is John Bannon? He is trailing the field in economic leadership by the length of the straight. Indeed, that is being charitable—he has not even come into the straight but is still rounding the turn, four wide. In other words, the Premier of South Australia, John Bannon, is an economic wimp who has failed to embrace the need for economic reform. That is best exampled by the failure of the Government to move earlier to take corrective action in respect of the Electricity Trust of South Australia. That has cost the taxpayers of South Australia dearly. I am pleased to see, be it belatedly, that at least some action has been taken. With those few remarks I support this Bill on superannuation.

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

COUNTRY HOSPITALS

The Hon. BERNICE PFITZNER: I move:

That this Council calls on the Government through the South Australian Health Commission to consult with country hospitals and with doctors providing services in these hospitals and with the communities which the hospitals serve in order to explain and justify any proposed budget restriction or any proposed other steps which might be expected to restrict or adversely affect the service which such hospitals provide to patients and to the communities.

In my question without notice last week, members will recall that there was reference to a change in the method of funding rural medical services. The previous method of funding was a line for the hospital and another line for the medical services on a fee-for-service basis. The change of funding has resulted in what is called a global budget which amalgamates the two separate lines. This will decrease hospital amenities and/or medical services. It has been identified by Dr Rainsford in the South Australian *Medical Review*, November 1990 edition, that this will result in a decrease in medical services, that is, waiting lists, closure of wards, slowdown in medical services, reduction in operation times, reduction in specialist services, possible loss of specialist services and, finally, a possible loss of general practitioner services; and conflict between the hospital board, nurses, hospital employees, the community and doctors competing for funds and services. This scenario is made more illogical, paradoxical and inconsistent when we consider what has progressed before this 'global budget' was instituted.

Before the present situation, there was the encouragement of the Federal and State Governments to improve conditions in the rural area so that medical staff would be enticed to these under-serviced rural areas. To this end, a report was commissioned by the Government and the South Australian Health Commission inviting Dr Livingstone of the University of Queensland to look into 'rural practice training for medical practitioners'. This report was completed in September 1990. A relevant recommendation in the Livingstone report states:

There is a need for specific additional training for doctors for entry into rural practice, especially in procedural skills, and a need to reward those who have successfully completed such training. Rural doctors and their families have needs other than educational which must be satisfied if rural areas are to be properly serviced. Such needs include professional, social, family and financial support and—of particular importance—locum relief.

Also, negotiations were in progress between the Australian Medical Association (AMA) and the South Australian Health Commission for a country doctors agreement. After long verbal discussions, this agreement was finally documented in October-November 1990 but has not been signed. So, on the one hand we have the Government through the South Australian Health Commission encouraging doctors to seek rural practice through suggestions of in-service education and fee-for-service agreement and, on the other hand, the financial structure has been eroded. We now have the 'global budget' in place and the prediction of Dr Rainsford has been realised. This is evidenced, first, by the *South-Eastern Times* article of 6 December, as follows:

Recent South Australian Health Commission budget restrictions and alteration to the fee for service payments will have a severe effect on services offered by the Millicent District Hospital.

There is also a push to encourage people to be admitted as private patients.

Secondly, on 15 November, there was an AMA report from feedback of letters sent to principal medical officers in 62 country hospitals requesting details about the effect of the restraint imposed on budgets. The results in broad terms showed that most hospitals will have to reduce services; that operating theatres are closing over Christmas for up to four weeks; that there will be rationing of elective surgery; that there will be optimising of the number of private patients; and that one hospital is even contemplating closing from the end of March to June 1991.

On 10 December the *Advertiser* ran an article regarding a Dr Quigley, of Cummins on Eyre Peninsula (the only doctor in the area), not being able to engage a husband/wife locum team to relieve the over-worked Dr Quigley due to this new global budgeting.

On 11 December the *News* identified Whyalla Hospital, Mount Gambier Hospital, Naracoorte Hospital, Southern Yorke Peninsula Hospital, Balaklava Soldiers Memorial Hospital and Cleve Hospital as having decreased medical services, and Cleve Hospital having already had an overrun of its budget.

The present perceived betrayal of a stated direction and aim of encouraging improved medical services in the rural area has resulted not only in initial confusion and despair but also now in anger. With the typical determination of these caring professions, they will try their best to see the medical services through, but they are not amused.

The other issue that is creeping in is the push to encourage private cover to alleviate the system. What does that say for the ALP's mission statements of equality of access and social justice? In places like Whyalla, where there are large groups of socio-economically disadvantaged people, will they have to wait because they are unable to pay?

The motion has been moved to promote the need for the Government to justify any changes which will result in the reduction of medical services, especially in the rural areas where the tyranny of distance demands special consideration for the rural communities.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

DEBITS TAX BILL

Adjourned debate on second reading.

(Continued from 4 December. Page 2267.)

The Hon. R.I. LUCAS (Leader of the Opposition): The debits tax, otherwise known by the acronym BAD, was originally introduced in Australia in 1982. As the name suggests, it is a tax on all cheque account debits. The scale is for a debit of between $1 and $100, 15c; between $100 and $500, 35c; between $500 and $5 000, 75c; between $5 000 and $10 000, $1.50; and finally, for debits of greater than $10 000, the tax is $2. In South Australia the Government has indicated that, if this Bill passes, the tax will raise $12.5 million for the remainder of the current financial year and that it will raise from $25 million in a full year. At the Premiers Conference the Commonwealth Government announced its intention to transfer the debits tax to the States and at the same time to reduce the amount of Commonwealth grants to the States in a full year by the same amount of $25 million. The intention, as outlined by the Government and by the Minister, is that the Australian Taxation Office will continue to collect the tax on behalf of the States. According to the Government position, the choice facing South Australia was a very difficult one and, if one can summarise it, the Government was arguing basically that it believed that the State Government was caught between a rock and a hard place.

The Government argued that, in relation to this proposal from the Commonwealth Government which was announced at the Premiers Conference there were in effect three options that confronted it. The State Government argued, first, that it could take no action and, in effect, forgo the $25 million per annum in State grants. The second option was to legislate for the State debits tax and the third option was that the State Government could raise the $25 million in some other way. I suppose that could be looked at in two contexts: first, the Government could increase its taxation take from some other source by $25 million a year or it could reduce public sector expenditure by $25 million. In effect, the Government has chosen option 2, although it is interesting to note that, at the same time, the Blevins' razor gang (known by the acronym GARG)—

The Hon. G. Weatherill interjecting:

The Hon. R.I. LUCAS: There are some good one liners about that, but we will not explore them this afternoon. There is not much 'gargling' going on in some Public Service departments at the moment. The Blevins' razor gang is, in effect, heading down the path of option 3 as well, that is, the razor gang modelled on the razor gangs of Prime Minister Fraser in previous years.

The Hon. G. Weatherill interjecting:

The Hon. R.I. LUCAS: And, I guess, the razor gang of the Tonkin Government and the razor gangs headed by people such as Peter Walsh in a former Federal Cabinet under the Hawke Government, and by others in the current Federal Cabinet. So, the model is certainly tried and tested and the Bannon Government has now adopted it as well. When one looks at the three options that the Government outlined in the second reading explanation, the Government seems to be saying that it is going down the path of option 2 yet, at the same time, it is also going down the path of option 3. It is also fair to note and to concede that all other States and Territories, with the exception of the Australian Capital Territory, I think, intend to enact legislation similar to the legislation currently before this Chamber. But, from the Liberal Party's view and, more importantly, from the community's view it is certainly a new State tax irrespective of the arguments that the Government puts in relation to it being simply a transfer of a current Commonwealth tax.

It is certainly, from our point of view, a case of the Bannon Government's seeking to have its cake and eat it, too. In the recent State budget the Bannon Government, led by the Premier and Treasurer, instituted a massive 150 per cent increase in financial institutions duty. The rate of financial institutions duty increased from 4c in $100 to a rate of 10c in $100, an increase of 150 per cent. That is significantly higher than any other State or Territory financial institutions duty.

True, most other States have increased their financial institutions duty to a rate of 6c in $100, but the South Australian rate will be about 66 per cent higher than the most common rate applying in other States. When the Parliament debated the State budget, the Appropriation Bill and associated measures (including the financial insitutions duty Bill). there was certainly some suggestion that one reason why the Bannon Government was increasing the financial institutions duty to such an extent was that this similar (although I concede not identical) Commonwealth tax, which was coming across to the States, might have been included: that is, the potential take might have been included as part of the reason for the significant increase in financial institutions duty.

If the BAD tax was to be given over to the States, rather than having a FID tax and a BAD tax so that the Government would get funds both coming and going from cheque accounts, the Government perhaps might have decided to have a massive increase in financial institutions duty and avoid the need for having a BAD tax. As it transpired, that was not so, and I am not sure whether the Government even contemplated that option. Certainly, I would be interested in a response from the Attorney and his advisers as to whether the Bannon Government considered whether it was feasible for that to have occurred rather than what is now proposed.

It would come as no surprise that the Liberal Party believes that this measure, taken with all the other tax measures and the Appropriation Bill, indicates this Government's folly at a time when we are heading into one of the deepest recessions (now that we can officially use the 'R' word) that this country has ever seen, a recession that the Labor Governments in both Canberra and Adelaide have instituted by deliberate Government action. Treasurer Keating, supported by Prime Minister Hawke, the Hawke Government, Premier Bannon and the Bannon Cabinet—Premier Bannon being the Federal President of the Labor Party—has made clear and has not been backward in coming forward about how we got into this recession.

Treasurer Keating says clearly that this is a recession that we had to have: he is unabashed in saying that it has been created by deliberate Government action. The country had to have this recession and the workers have had to swallow the medicine that Treasurer Keating and the Hawke and Bannon Governments want to mete out to them here in South Australia as well as nationally.

As I said, we have the scorched earth policies of Labor Governments—both Federal and State—in effect by policy action deliberately grinding the economy into the ground and literally throwing hundreds of thousands of workers out of work. We have major manufacturing institutions, such as Fords, talking about having 2 000 workers thrown out of jobs in the next 12 months. At the same time we have Treasurer Keating walking around the factory floor of Fords and, in response to the quite reasonable question from a shop steward—'What can be done?'—saying, in that arrogant and dismissive Keating way, in effect, 'You have to take the medicine and if there are a few thousand jobs that have to be thrown to the wall, well, so be it.'

They are the policies that those on the back bench—in the left and centre left—are supporting; they are the policies of Treasurer Keating; they are the policies of Premier Bannon and the Bannon Government. Premier Bannon and his Cabinet are strangely silent at a time when the Labor Party holds power in Canberra—a Party of which Premier Bannon is President—when literally hundreds of thousands of workers—workers whom the Hon. Mr Weatherill and the Hon. Mr Feleppa, prior to coming to this House, would have represented—are being thrown out of work. If it had been a Liberal Government in Canberra—if it had been Malcolm Fraser, John Howard or, indeed, if it had been John Hewson—the workers whom the Hon. Mr Weatherill and the Hon. Mr Feleppa were representing would have been railing loudly against the policies of such a conservative Government. Yet, even in the recessions in 1982 and 1983—I know my memory is short—I cannot recall Prime Minister Fraser and John Howard, even with their perhaps touch of arrogance and dismissiveness, saying to hundreds of thousands of workers who were losing their job that the recession was deliberately created as an aspect of Government policy and, in effect, was a recession that we had to have.

Indeed, if my memory serves me correctly, the Government argued at the time that there were problems with the world economy, the drought and a whole range of other things as well. Whether or not we agree with that, at least the leadership of the country did not have the gall to stand in front of workers losing their job and sneer at them and say, 'Well, you have to take your medicine. We have created this recession deliberately and it is a recession that you have to have.' At least they had the compassion and sensitivity not to adopt a position like that. The situation of a State Government—at a time when its Federal colleagues, as I said, are instituting scorched earth policies like this—adopting a deliberate tactic of increasing State taxes and charges by over 18 per cent—the largest increase in this State budget or of any State budget—really, again, is just sneering at the average worker—the average worker Keating is throwing out of work and putting on the dole. At the same time, the Bannon Government is saying, 'While our Federal colleagues have thrown you out of your job as a deliberate act of policy, we are going to rip another 20 per cent out of you in relation to State taxes and charges.'

The Bannon Government cannot wash its hands like Pontius Pilate and say that the problems that the community is experiencing at the moment are not its fault because, in two respects, it is partially the fault of the Bannon Government because it supports the policies of Treasurer Keating. If it does not, I would like to hear the Attorney-General say today that he does not support the policies of Treasurer Keating and Prime Minister Hawke. If he is silent, that indicates continued support for the current policies of the Federal Government.

Secondly, and more importantly, we are debating this Bill as we debated all the other tax measures in the Appropriation Bill which was before us some months ago because the Government is rubbing salt into the wounds of the unemployed, the workers, people on pensions, and the socially disadvantaged by seeking to rip off another 20 per cent or so in State taxes and charges from what meagre net income they may well have left, if, indeed, they have a job or they are on a pension.

I do not intend to say any more than that. Aspects of this measure have already been debated in this Chamber in relation to the Appropriation Bill and other tax measures. Because it has been debated on previous occasions and for the sake of brevity, I will not repeat the Liberal Party's alternative budget strategy. It is on the record in this place in the Appropriation Bill debate and it has been placed on the record by the shadow Treasurer and Liberal Leader in another place.

It is not just a matter of the Liberal Party rejecting the current policies in both the State arena and the Federal arena. It has put forward a cogent and coherent alternative position which could and should have been adopted by this State Government and by the Commonwealth Government in Canberra but, for their own reasons, both Labor Governments have chosen to go down the track which has been dismissed by many as the scorched earth policy of Treasurer Keating and Prime Minister Hawke.

The Opposition is not happy with the Debits Tax Bill, but this is a policy of the Bannon Government. It is part of its tax package and it is part of its overall economic policy and strategy. Let it be on the head of the Bannon Government and the Bannon Cabinet that, at a time of recession, it wants to increase these taxes and charges by 20 per cent for ordinary workers in South Australia.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

The Hon. R.I. LUCAS: I have only two or three questions, so I will not delay the Committee unduly. Can the Attorney-General outline in simple terms, if that is possible, how this transfer process from the Commonwealth to the State will be achieved in the time frame that we are talking about, given that this Bill passes this Chamber this week?

The Hon. C.J. SUMNER: The Commonwealth has introduced the Debits Tax Termination Act 1990, which is designed to terminate the Commonwealth debits tax from 1 January next year. That is before the Federal Parliament at the present time. The Debits Tax Termination Act 1990 amends the Debits Tax Act, and section 4A provides that tax is not imposed in respect of a debit made on or after the date of commencement of this section. That means that section 2 of our Act will come into operation on that same date, that is, the date on which section 4A of the Debits Tax Termination Act 1990 of the Commonwealth comes into force. So, the two are coordinated and, apparently, designed to be operative from 1 January.

The Hon. R.I. LUCAS: The Australian Taxation Office will continue to collect the debits tax on behalf of the States. What transfer of funding arrangements will be instituted? Will it be moneys sent monthly or at the end of the financial year? What processes have been agreed between the State and Commonwealth Governments for the payment of money to the States?

The Hon. C.J. SUMNER: A formal agency arrangement will be entered into between the Commonwealth Commissioner for Taxation and the State Taxation Commissioner for the payment of the moneys from the Commonwealth to the State. That arrangement has not yet been formally entered into but I understand that the payments will probably be made on a monthly basis.

The Hon. R.I. LUCAS: I address again the one question I addressed to the Attorney-General during the second reading debate. Was any consideration given to trying to amalgamate, in effect, the BAD tax and the FID tax, that is, having one big financial institutions duty and getting rid of the BAD tax?

The Hon. C.J. SUMNER: The State Government had to move quickly in this area. The Commonwealth made the announcement, but there was very little consultation about that announcement, except that it was in the context of consideration of Commonwealth-State relations, and the Commonwealth decided that it could give some of its taxing power to the States. Because of the speed with which all this occurred, there was no chance for the States to consider alternative ways of dealing with the debits tax.

Accordingly, it has been picked up by all States as it has in South Australia. It might be possible in future to look at an amalgamation of the FID and the BAD tax, if that would mean a more rational structure, but, in the circumstances with which the State Government was faced, we had to move immediately to implement legislation to collect the tax. Otherwise, we would have lost the Commonwealth grant and not have had the tax in place to make up the shortfall.

The Hon. R.I. LUCAS: Whilst I accept the need for moving quickly, given that we are moving quickly to do that, is the State Government or its officers giving active consideration to the efficiency of combining the two taxes and having further discussions with other States along those lines?

The Hon. C.J. SUMNER: No discussions are envisaged at the present time. All I can do is indicate that the honourable member apparently believes that it would be more efficient to collect the one tax rather than have both the taxes operating. The South Australian Taxation Commissioner is aware of that. I am sure that if he considers it appropriate and if there is something in what the honourable member says he would be prepared to draw it to the attention of the Treasurer.

The Hon. R.I. LUCAS: What estimates have Government advisers done about the future growth prospects of the BAD tax? I accept that the Government is currently estimating that it is $25 million per year in growth. Financial institutions duty, from my rough reckoning, has been a reasonable growth tax for the States. Is the BAD tax a similar growth tax; is it likely to be growing at a rate perhaps greater than the CPI in each year?

The Hon. C.J. SUMNER: No, unfortunately the State authorities have not been able to do any work on forecasting the extent to which this will be a growth tax. Information relating to this, I am informed, resides with the Commonwealth. We have had to get this measure in place quickly. The sort of work that the honourable member has indicated might need to be done will have to be done in the future.

The Hon. R.I. LUCAS: I appreciate that; perhaps that is a matter we can take up in the budget debate next year. I understand that the Government probably has received the same letter from the Australian Bankers Association that the Liberal Party has received, and some aspects were taken up in another place. However, I just want to take up and quote one paragraph, as follows:

> It was understood the Government intended to review the need for continuation of stamp duty on cheque forms when BAD tax was ceded to States. However, the background report to the draft Bill makes no reference to this occurring and/or whether it is now a possibility given that the transfer is income neutral. However, given the substantially higher bank account imposts in South Australia we believe a review of FID/bank debits tax/stamp duty levels is appropriate.

We have explored with the Attorney the possibility of the rationalisation of FID and BAD. I wonder whether the Attorney will respond to this proposition from the Australian Bankers Association.

The Hon. C.J. SUMNER: This letter has just been received; it is dated 30 November. Obviously, the Government will consider those representations and respond to them. The Government is concerned to try to ensure that taxes that are collected are collected as efficiently as possible. Whether the proposals by the Chairman of the Australian Bankers Association will lead to that result or not I cannot say; all I can say is that the representations have been made and will be considered.

Clause passed.

Clauses 3 and 4 passed.

Clause 5—'Imposition of tax.'

The Hon. R.I. LUCAS: Can the Attorney-General explain what would happen in the case of someone seeking to avoid payment of the tax in the Australian Capital Territory, which I understand will not be instituting a bank debits tax?

The Hon. C.J. SUMNER: The ACT is not imposing the tax. If it looks as though the ACT is about to become a tax haven for this type of tax, obviously all the States would have an interest and we would expect the Commonwealth Government to act in some manner to prevent that occurring. Quite clearly it would be an intolerable position for the Commonwealth to have so-called given all the States extra taxing powers, reduced their general grants, and then allow in its own backyard a capacity for the tax to be avoided. That would be unacceptable and, in fact, I would suggest intolerable, and obviously we would have to get the Commonwealth to do something about it if it occurred.

The Hon. R.I. LUCAS: Subclause 5 (1) (*c*) provides:

> Tax is imposed in respect of—

(c) each eligible debit of not less than $1 made to an account kept outside South Australia . . .

Does that provision in any way cover someone who is seeking to avoid the payment in the ACT? Does it seek to have the bank debits tax applicable to someone who is seeking to avoid payment in, for example, the ACT?

The Hon. C.J. SUMNER: This clause applies to residents of South Australia and if residents of South Australia are attempting to conduct their transactions through the ACT, they will be caught by this clause. At least, that is the intention of it.

The Hon. R.I. LUCAS: If I am a resident in South Australia and seeking to avoid payment of this somehow in the ACT, and this seeks to catch me, the Australian Taxation Office would then be collecting it, as I understand it, on my account in the ACT and would reimburse it to South Australia as part of our monthly payment. Is that the way the procedure will work?

The Hon. C.J. SUMNER: Yes.

Clause passed.

Remaining clauses (6 to 21), schedule and title passed.

Bill read a third time and passed.

SRI LANKA

Adjourned debate on motion of Hon. I. Gilfillan:

That this Council—

1. Condemns the persistent human rights violations by all sides including extrajudicial executions, 'disappearances' and torture in Sri Lanka which affect the population in both north and south and which are outlined in recent reports by Amnesty International;
2. Calls on the Government of Sri Lanka to:
   (a) set up an independent commission of inquiry into extrajudicial executions, the result of which should be made public; and
   (b) investigate impartially, through an independent commission of inquiry, the whereabouts or fate of all people reported to have 'disappeared';
3. While understanding the very real constraints placed upon the Sri Lankan Government by the conflict, urges the Government of Sri Lanka to ensure strict control, including a clear chain of command, over all officials responsible for apprehension, arrest, detention, custody and imprisonment as well as over all officials authorised by law to use force and firearms; and
4. Urges the Australian Government to seek whatever ways are appropriate to bring a halt to all human rights abuses carried out by all armed parties in Sri Lanka and urges all parties involved to exercise maximum restraint.

(Continued from 5 December. Page 2319.)

The Hon. M.S. FELEPPA: Speaking in support of the motion moved by the Hon. Ian Gilfillan, I should like to put to the Council some facts and history of human rights violations in Sri Lanka, what Sri Lanka has done to help to solve its problems and how we can help Sri Lanka with their solution. To my knowledge, a similar motion has been moved in the Federal Parliament, as well as in the New South Wales, Tasmanian and Queensland Parliaments, which shows the importance that Australia as a whole attaches to this issue. In supporting the motion, we should appreciate some of the differences in Sri Lanka's case, not as an excuse for the violation of human rights, but for an understanding of the broader issues in its case.

Sri Lanka does not have a Fascist Government intent on holding down with a firm and heavy hand people already deprived of freedom. It is a democratically elected Government committed to the rule of law and the democratic process. The rebel groups—the JVP (Janatha Vimukti Peramuna), the Tamil Tigers and other armed opposition groups in Sri Lanka—are committed to an ideology of terrorism and destruction, threatening the very fabric of democracy, and are determined, I believe, to tear it down. In the face of this, it must still be recognised that force beyond what is necessary to prevent crime and to maintain law and order is absolutely unacceptable. Excesses by the security forces and the use of death squads cannot be tolerated. We in this Council today must condemn these excesses.

Even with such blanket condemnation, we should look at the abuse of power in the context of this case and adjust our condemnation to the reality of it. The International Peace Research Institute, located in Oslo, sent a fact-finding mission to Sri Lanka and published a report by Neville Jayaweera entitled, 'Violence, Human Rights and Democracy', which we can take as an objective assessment of conditions and developments in Sri Lanka. Quoting from the report, we have an historic view of events in Sri Lanka:

> As late as June 1989, when the JVP had virtually encircled Colombo and were on the brink of total power, Premadasa was still making overtures to them, while his troops languished in barracks. The evidence we have indicates that even at that stage he was hoping that the JVP would accept his offer of an amnesty, lay down arms, and join the democratic process.

This restrained approach of President Premadasa was eventually misread by the rebels as evidence of weakness and they responded by escalating their violence. The member for Groom, Mr Taylor, speaking on this motion said in the Federal Parliament:

> The use of excessive force by Governments has frequently resulted in the escalation of internal conflict rather than its limitation.

In Sri Lanka the restraint shown had the reverse effect of that which Mr Taylor had anticipated. In fact, that worsened the problem. Eventually, the President had to commit his troops to action. The report goes on:

> The regular troops supported by vigilante groups and militia, and adopting a 'cordon and search' strategy, appear to have taken on the JVP cadres systematically and ruthlessly. The evidence is also fairly clear that the measures they adopted were in many instances hardly distinguishable from those of the JVP and seem to have been based on the premise that terror had to be met by counter-terror. It was this campaign of counter-terror that produced the bulk of evidence indicting the Government for human rights violations.

A major contribution to the violation was the Government's Prevention of Terrorism Act. Under emergency regulation, this Act empowered security forces even to dispose of bodies without a magisterial inquiry. It also escalated reprisals by the security forces against rebels, and the escalating spiral of violence involved considerable loss of civilian lives.

One tactic used by the rebels was to kill the families of the soldiers so that the threat of further killings might make the soldiers revolt. If we look at the Oslo report again we see that it condemns the violation by the security forces but it warns against making a simplistic judgment. It goes on:

> If we limit the reality to the tragic human debris left in the wake of the state's counter-offensive, there may be no alternative to entering a verdict of 'guilty' against the Government on the charge of violating human rights. However, in limiting the reality to an aspect of it by looking at the one without looking at the other, we open ourselves to the charge of moral evasion and cowardice. We need to recognise that the reality is inherently complex, and is characterised by ambiguities and dilemmas, uncertainties and contradictions which would make moral nonsense of any attempt to reduce it to a simple 'guilty' or 'not guilty' legal issue. A fact that is hardly ever mentioned is that there is more evidence of over-caution and restraint, even to the point of ineptness, on the part of the Government in dealing with the JVP terror than of deliberate and systematic plans to override human rights.

It is not my intention to minimise the violations of human rights but, rather, to underline the complexity of the situation in Sri Lanka which we must take into account in offering to intervene in the country's problems. The Government of Sri Lanka has not been blind to the violations of human rights by its security forces and itself has taken

measures to solve the problems. The Constitution has been amended, and is still being amended, to make human rights and freedoms match what is accepted as a standard by the free nations of the world.

The seventeenth amendment of the Constitution guarantees freedom, security and liberty, so that law enforcement is brought more totally under the rule of law. There is also equality of access to justice and freedom from arbitrary arrest, detention and punishment.

The sixteenth amendment to the Constitution ensures that official communications and appearance before the courts are able to be understood by making it obligatory that a choice of Sinhala, Tamil or English is allowed. It was the restriction in the choice of language that was one of the early causes of conflict in Sri Lanka. In its Parliament there is a monthly debate on the emergency and its proceedings, along with the proceedings of the courts, are freely reported in the media. Turning again to the Oslo report, it states:

> By the end of April 1990 . . . most of the dangerous clauses of the emergency regulations which had been used as an umbrella by those who were engaged in extrajudicial killings, had been rescinded, and the Government had promised completely to abrogate the emergency within another three months.

From what I have said, the Council can see that Sri Lanka is not unmindful of its problems, and the Government is addressing those problems as it thinks proper.

To further underline the Government's attempt to curb human rights violations by the security forces, 29 cases, involving 49 persons in custody before the court were under investigation, point to action being taken. The total numbers of missing persons recorded on file were 505 in 1988, 403 in 1989 and 54 in 1990. This reduction shows that, through the efforts of the Government, the number of missing persons has fallen.

In the light of the Oslo report, the question now is how Australia can best help Sri Lanka. First, we can expect that there would be objection to Australia's meddling in the sovereignty of Sri Lanka in contravention of article 2 of the United Nations Charter. It is not, and never would be, the intention of Australia to intrude, except to help Sri Lanka. Senator Hill's proposal is that a high level Commonwealth task force negotiate a cease-fire among the rebels and the Government and to sponsor peace talks among the several parties.

To do this, I believe that they would have to find the acceptable and the best way to monitor the cease-fire, determine how Australia could contribute to the peace negotiations and how we can give assistance in maintaining peace through constitutional and legal means. Australia's credibility in Sri Lanka is understood to be very high and Australia is seen by many there as the ideal neutral umpire in this conflict.

If Australia is to be of real and lasting help to Sri Lanka, we should see violence, terrorism and violation of human rights as manifestations of the problem of an underlying reality which is the restructuring of the economy and the difficulties faced in nation building. The violations and so on are a social phenomenon which, I hope, will pass, while the reality of nation building and the restructuring of the economy from a colonial economy with an expanding population which has spiralling expectations is an ongoing process. I believe that if Australia is to be of real help, it should not take its focus off the ongoing process for the sake of a simple solution that will not bring lasting peace.

In conclusion, I admit that Sri Lanka is facing up to multiple crises and has applied what remedies it thinks best; although these are not perfect—nor are they always effective—the Government is trying. The problem of human rights violations are the symptoms, not the disease. The lasting solution to the problem is, I believe, to help Sri Lanka to nationhood and we can do this by being doubly open-handed: on the one hand is diplomacy and on the other is economic help. If, in our concern, we do this, I believe that we will be a friend to our neighbour rather than a condemning critic. Therefore, I support the motion and I congratulate the Hon. Mr Ian Gilfillan on bringing it to the attention of this Parliament.

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

CITRUS INDUSTRY ORGANISATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 6 December. Page 2429.)

The Hon. PETER DUNN: The Liberal Party agrees with this Bill, which will facilitate the operations of the Citrus Board for some extra months until a review of the citrus industry, proposed for early 1991, comes through this Parliament. However, before it is proclaimed there will be a hiatus between the present board, whose term expires on 14 February 1991, and the time at which it is expected that the new Citrus Board will be proclaimed as a result of the new Act, which we expect to be introduced in this Parliament and proclaimed early in the new year. It is really a very small Bill that extends the term of the present Citrus Board until the new board is set up.

It would be silly if we had two elections after 14 February for, perhaps, a period of two months: it is expensive, and it also stirs up the people who have to vote. It is something that I believe they do not need to do because they are quite happy with the present board and an extension of some two or three months is neither here nor there. It will save costs, and as the citrus industry is under very great pressure at the moment, in particular from imports from Brazil, I think the continuity of the present board handling this situation is in the best interests of the industry so that it can at least keep the Government informed—whether that be the State or the Federal Government—as to the state of the industry.

The Liberal Party has consulted with the Citrus Board of South Australia and with several growers, particularly the Hon. Peter Arnold, who is a citrus grower. Liberal members believe that it is right and proper that this Bill be put through as expeditiously as possible so that the board can continue to run on from 14 February 1991. We would not have time when Parliament resumes to pass the Bill and have it proclaimed before 14 February.

The Opposition agrees with the intent of the Bill, although it has been introduced very late in the session. I think that there has been a little bit of bungling somewhere along the line. I am not sure whether that happened in the Minister's office or whether it was not thought of earlier. However, it should have been before Parliament earlier so it could have been considered in more detail. However, I see no objection to the legislation and, for those reasons, the Opposition supports the Bill.

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

COMPENSABLE PATIENT FEES

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

That the regulations under the South Australian Health Commission Act 1976, concerning compensable patient fees, made on

22 November 1990 and laid on the table of this Council on 4 December 1990, be disallowed.

These regulations represent another impost on the pensioners of South Australia, an impost which, on the face of it, is stated to be in line with the recent Federal impost on the pensioners of South Australia but which, on the face of the regulations, goes much further. I remind members that, recently, the Federal Government introduced a charge of $2.50 per prescription for that class of pensioner previously entitled to free pharmacy within the list of items incorporated in the pharmaceutical scheme.

The Hon. T. Crothers interjecting:

The Hon. R.J. RITSON: Just shut up for a minute! I am sorry, Mr President, it is just the idiotic interjection, unintelligible, through my train of thought. There were two classes of pensioner: a more needy and a less needy. The less needy received a card entitling them to concessions in pharmaceutical costs, and the more needy received their pharmacy free.

This regulation does several things. First, it institutes a charge of $2.50 for the people who previously received their pharmaceuticals free from public hospitals and, secondly, it reduces the charge for the people who received the part-concession and paid $3.50. They, also, are reduced to $2.50. So, we have a situation in the private sector where, under the Federal benefits scheme, if one goes to one's corner pharmacy with a pensioner benefits prescription one is charged $2.50, but with a cap on it. After the threshold is exceeded, those prescriptions become free. In the State hospital system, the previous free prescription for that class of pensioner now becomes $2.50 with no cap.

In fairness to the Government, as an administrative practice the hospitals have decided to subsidise this officially uncapped fee and provide all prescriptions in excess of three per month free, subsidising that pharmacy from their safety net fund. That is a matter of current administrative practice: it is not in the regulation. The regulation says that if you go to a public hospital you will pay $2.50 forever, whereas, if you go to your private pharmacist, under the Commonwealth subsidies scheme you will pay $2.50 only until you achieve the threshold. After that, you will be provided with the medicine free.

I do not think it is good enough to produce a system that in law provides an unlimited impost on pensioners and relies on the internal Administration of the day, or of the hour or of the month, to give relief. I think the relief should be in the regulations, and that is one of my reasons for moving the disallowance.

The Government's explanation was that the charge is necessary to align the State public hospitals system with Federally-funded benefits to the private sector but, as I said, at law it goes much further. There is some doubt, and there has been some confusion, as to whether one public hospital will recognise the *de facto* concessions of another hospital. For example, if a patient who has exceeded their three scripts per month at one hospital and has thereby achieved the unofficial—not in the regulations—threshold, there is some confusion as to whether or not, if they go to another State hospital, they will be recognised as having now qualified for treatment under administrative rules. Furthermore, the Administration has not given any credit to those pensioners who have already exceeded the Federal threshold at their private corner store pharmacy.

So, many of the pensioners who complain so loudly at the Hawke impost but who have gradually come to understand that they will pay only up to the threshold will be utterly bewildered when they go to a hospital, such as the Royal Adelaide Hospital, for a specialist consultation, receive a prescription and are charged, because they will have believed that they have become entitled to free treatment. But, that is only within the one system, only within the Federal capped system: the next attendance at one of the State institutions will not recognise that that pensioner has already passed the threshold for free treatment.

The sad part about this is that, for the sake of administrative ease, of charging everyone $2.50, the people who used to pay $3.50 save $1, and they are the less needy according to the means test; and the more needy, the people who used to get it free, have to pay $2.50. So, there is a further concession to the less needy and a new impost on the more needy with an administrative threshold within the system that is not in the regulations—and I want to see it in the regulations—and the system fails entirely to give credit to the pensioner patient who has already exceeded the Hawke Government's new impost threshold at the private pharmacy and then attends a public hospital.

I have in fact had some discussions with Government officers, and I do not know to what extent this was their intended result, and I do not know to what extent it was the Government's intended result. For instance, did the Hon. Ms Wiese, when she reviewed this Cabinet submission, consider that the people entitled to the lesser concession should pay less and the people entitled to free treatment should pay more, just to meld the two groups of patients for the ease of administration? Was she convinced that that move was beyond the capacity of the computers in our public institutions? I suspect that she did not think about it because it was the portfolio of the Minister of Health, who does not think about these submissions, either.

I believe that this is the sort of disallowance motion that the Democrats will support. I believe that once the impact of this scheme, which is only a few weeks old—there are many tens of thousands of pensioners and voters yet to discover the anomaly—comes to light this will be the sort of disallowance motion which the Democrats will support. I do not stand here idly moving disallowance motions just to make life difficult for the Government. I am prepared to leave the matter lie on the table until about the first week in April in the hope that my words will be taken to heart. Probably in that time the body of pensioners and pensioner groups that will discover this anomaly during the succeeding few months will increase to the point where the Ministers will listen to views on this new impost and consider, first, putting the administrative cap in the regulations, which is where it should be and, secondly, giving credit for those pensioner patients who have already achieved the Hawke threshold and moved into the area of free prescriptions.

Having said that, my final comment is that this highlights again the difficulties with subordinate legislation as one approaches the end of the session. These regulations were approved by Cabinet on 1 November but we have had this one for a matter of days, and the only choice we really have is to disallow all of it. We cannot really move suggested amendments, and I do not think that we should just disallow all of it—there is a good part of it as well, particularly with respect to nursing homes. So, I can only let my comments lie on the table and hope that the Minister will think about them, hold discussions with his officers and bring in amending regulations, in which case there will be no need for me to proceed with the disallowance motion and put it to a vote. With those comments, I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

[*Sitting suspended from 12.49 until 2.15 p.m.*]

LOCAL GOVERNMENT ACT AMENDMENT BILL

At 2.15 p.m. the following recommendations of the conference were reported to the Council:

As to Amendment No. 9:

That the House of Assembly amend its amendment by—

1. Leaving out in paragraph *(a)* '1992/1993' and substituting '1993/1994'.

2. Leaving out—

'and

(b) by striking out from subsection (3) "35 per cent" and substituting "50 per cent".'

and that the Legislative Council agree thereto.

As to Amendment No. 10:

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

QUESTIONS

ALCOHOL DRY ZONES

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about alcohol dry zone applications.

Leave granted.

The Hon. K.T. GRIFFIN: There was a report in this morning's newspaper which referred to two applications for declarations of alcohol dry zones having been granted in relation to the foreshore at Semaphore and the Mall at Port Adelaide. That report also indicated that Glenelg had gained a declaration to prevent the consumption of alcohol on the foreshore over the next few months.

As I understand it, in those three areas declarations have been granted in the past. In respect of Semaphore and the Mall at Port Adelaide, they were made last year on a trial basis and are now being extended. The Glenelg declaration is for only a particular period each year, which is the height of the drinking season on the foreshore.

However, in that report there are complaints from other seaside councils such as Henley and Grange and Brighton that, even though for the past two years they have had applications lodged for certain parts of their foreshores to be declared dry areas, they have not been able to get any action.

My conversations with representatives of these councils have indicated that they are genuinely concerned about the extent to which large groups of people gather on parts of their respective foreshores; that a significant amount of alcohol is consumed at those locations; and that there is a significant amount of hooligan behaviour which, of course, spoils the facilities for the enjoyment of ordinary law-abiding citizens. It is because of that concern that they want to move towards having certain parts of their foreshores declared dry areas. My questions are as follows:

1. Can the Minister indicate how many applications for declarations of dry zones have been made and are still awaiting decision?

2. When will decisions be taken in relation to the Henley and Grange and Brighton applications, and when can responses be expected by other councils to their applications?

3. Can the Minister indicate the reasons why there has been such a long delay in dealing with those applications?

The Hon. BARBARA WIESE: The question of dry areas has become a fairly vexed issue in South Australia over the past couple of years, and in recent months the Government has been turning its mind to the conditions under which dry areas might be permitted in various parts of the State. As the honourable member has indicated, numerous requests have been made by councils around the State for dry areas to apply, in particular, to parts of their council areas. In most of the cases where dry areas have been permitted, the immediate problems of drunkenness or public nuisance which were the subject of complaints in the first place have been dealt with. However, in various areas evidence has come to light that the problem itself has not been dealt with but that, by creating dry areas, all that has really been achieved in some instances is a moving of the problem from one area to another.

In itself, the declaration of a dry area does not deal with the underlying social problem, whatever it may be, in the various circumstances. Over the past few months numerous Government agencies and people involved in local government have been turning their minds to these questions relating to the underlying problems and what ought to be done about those issues. That has meant that the consideration of some applications received by the Government has been postponed whilst a policy position on those questions could be determined.

In the case of the application made by the Port Adelaide council that covers the Port Mall and the Semaphore seafront area, a consideration had to be made relatively quickly whether there would be an extension of that dry area declaration because, in fact, it expires at the end of this month, as I recall. For that reason there has been consideration given to that, following receipt of information from the local council, the local police about the impact that that dry area had in that location, and from the council as to efforts made over the past 12 months to deal with the underlying social problem.

It was the view of the Liquor Licensing Commissioner and, ultimately, of Cabinet that that dry area application should be approved and indeed that has occurred. As I recall, the application for extension at Glenelg has not yet been granted, but it may well soon be in the pipeline for renewal because, in that case, too, the current declaration expires shortly. As to the main issue, I hope that it will be possible soon for me to provide further information to Parliament and to those community organisations—most notably, councils—about the question of dry areas, when we have an agreed policy.

As soon as that is determined it will be possible for the Liquor Licensing Commissioner to consider those applications that he currently has before him for the declaration of dry areas in council localities. I cannot recall exactly how many dry area applications are now before the Commissioner, but I shall be happy to seek that information from him and provide it for the Hon. Mr Griffin.

The Hon. K.T. GRIFFIN: I desire to ask a supplementary question. If it is good enough to have dry zone applications for Semaphore foreshore and Glenelg foreshore extended on the basis indicated by the Minister, why is that any different from the foreshore areas of Henley and Grange and Brighton?

The Hon. BARBARA WIESE: It may not be different, but certainly the Port Adelaide council was willing to accept an extension of the dry area declaration with certain conditions applying as to the moves it would be willing to make in the forthcoming months in an attempt to deal with the local social problems. Since that was an extension of an application, rather than a request for a new application which, I would suggest, would require much greater investigation by the Liquor Licensing Commissioner, it was certainly possible to process that renewal request relatively quickly. As I indicated, I hope that the consideration of new applications for such areas as that designated by the Henley and Grange council and others will be able to be

processed reasonably quickly by the Commissioner in the near future.

The Hon. K.T. Griffin interjecting:

The Hon. BARBARA WIESE: Yes.

TOURISM

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister of Tourism a question about tourism activity.

Leave granted.

The Hon. DIANA LAIDLAW: Last year the Government's economic development strategy *Securing the Future* identified tourism as one of the State's five key strategic areas for economic growth. The Government's tourism policy released before the State election late last year states:

> By the year 2000 our strategies will see a doubling of the current value of tourism activity and employment generated by it.

I note, however, that in the submission to the Government Agency Review Group the Minister reveals on page 5 that:

> South Australia is currently really only holding its historically low Australian market shares of interstate and international (or export) visitation and is experiencing declining market shares of international visitor nights.

Incidentally, members may be interested to known that our market share of international holiday nights increased from 6 per cent in 1984 to nearly 7 per cent in 1985 when Tourism South Australia introduced new product, but has progressively declined since that time to only 5.5 per cent at most in 1989. The Minister also notes that, whilst the State's share of total tourist activity is about 8 per cent, its share of total tourism value is estimated to be considerably lower.

On page 6 of the submission the Minister notes that budget allocations to Tourism South Australia in the three years since 1988-89 '. . . have fallen well short of the identified levels needed to achieve the growth targets which only retain South Australia's historic market shares'. Against this sobering background, I ask the Minister to confirm whether the Government's election promises, in terms of the increase in the value of tourism activity and employment growth, are on target or whether they are under threat.

The Hon. BARBARA WIESE: I hope that the State will be in a position to meet the targets that we have determined for tourism growth in this State for the decade. I hope, too, that the honourable member will join me in putting a case to the Government that one of the ways in which we can ensure that those targets are met is by an appropriate investment being made in tourism in this State.

The document to which the honourable member refers presents the case for a continuation in growth in Tourism South Australia's budget in forthcoming years to enable that agency, on behalf of and in conjunction with the members of the industry, to promote those parts of our State that show the greatest potential for growth in order that we will be in a position to meet the targets and to achieve the sort of growth in tourism visitation that our State is capable of achieving and should be working to achieve.

Whilst it is true that South Australia's marketing share in tourism in Australia has declined, there has been very considerable growth in tourism in South Australia. That is evidenced by the fact that, for example, during the past three years the number of international visitors coming to this State has increased by 60 per cent.

Whilst in anybody's language that is a tremendous success, as far as the State is concerned, it of course must be viewed against the backdrop of the very considerable growth in international tourism that has occurred in Australia generally. Of course, as members would be aware, a very large proportion of that growth in international tourism has occurred in States like New South Wales and Queensland in particular, where there has been the development of a considerable number of new and high value tourism products.

The honourable member referred to another statistic used in that document which was to say that, whilst South Australia enjoys 8 per cent of tourism activity in Australia, we enjoy only 4 per cent of tourism value in Australia. That is a fact that has been known to me and to Tourism South Australia for some time now, and it is one of the reasons why we have worked so hard during recent years to encourage the development of higher value tourism product for this State, so that in fact we will be in a position to attract higher spending tourists to South Australia.

We have maintained over a number of years that South Australia's tourism product and the new product that we would like to generate here is not particularly suitable for the mass tourism market. We are more interested in, and we believe our product is more suited to, discerning tourists who will be prepared in many cases to spend more than the average tourist. Traditionally, our tourism product has been very much centred in the lower end of the market, the budget end of the market. We have enjoyed very strong growth over the years in such accommodation facilities as caravan and camping grounds and low cost accommodation facilities. We have been very successful in attracting tourists at that end of the market. However, it is very important that we broaden our tourism product and, therefore, improve our capacity to attract higher spending tourists to the State. It is for that reason that I have been so keen to see the development of attractions like the Wilpena Station project—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —which is a development that the honourable member has opposed and does not want to see occur in this State. But we need the Wilpena Station project and we need many more projects of that ilk, which will enable us to improve the value of tourism in South Australia. I have been consistently pressing that point with the Government during this past few years by way of the budget submissions that I and Tourism South Australia have put to the Government in order to improve our budgets for promotional purposes.

As the honourable member would be aware, I have been successful in achieving significant increases in the tourism budget over the last couple of years. I hope that we will be in a position to continue down that path and, if we do that, and if we encourage tourism development where we have operators that are of sufficient size that they are able to add to and enhance our promotional effort outside the State, then in fact we will be well on target for achieving the projections that we have made and, hopefully, in some respects we will be able to do better than those targets.

The Hon. DIANA LAIDLAW: As a supplementary question, can the Minister confirm the statement in her submission to the Government Agency Review Group that her tourism projections and policy statements—

The Hon. Anne Levy interjecting:

The PRESIDENT: Order! Supplementary question. The Hon. Miss Laidlaw.

The Hon. DIANA LAIDLAW: Can the Minister confirm that as to the statement that she made in her submission to GARG, and also in respect of the Labor Party's policy, that target is potentially under threat, for the simple reason that she and the Government have not been prepared to

give Tourism South Australia the funds needed to promote tourism activities in this State compared to the funds given to tourism activity in other States?

The Hon. BARBARA WIESE: Certainly, there would be a difficulty for the promotion of tourism in South Australia if we were to go backwards, and I have never shrunk from that point of view. It is the very reason why I have spent so much of my time during the past few years drawing to the attention of my parliamentary colleagues the information that is necessary—

The Hon. Diana Laidlaw: They don't believe you.

The Hon. BARBARA WIESE: —to enable them to make judgments about the benefits that can come from investment in tourism promotion. As the honourable member would be aware, and as I have already indicated, it is because those arguments have been won that there has been an increase in the tourism budget.

Members interjecting:

The PRESIDENT: Order! There are too many interjections. The honourable Minister has the floor.

The Hon. BARBARA WIESE: There has been a significant increase in the tourism budget. The honourable member obviously has not caught up with the fact, or noted, that during the past 12 months the tourism budgets of other States have in most cases gone backwards rather than forwards and they have actually either remained static or been reduced.

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: So, in terms of comparison, South Australia is in a relatively stronger position than it was previously. However, there is no secret about the fact that it is my view, and it has been since I have been Minister of Tourism in this State, that it is highly desirable for us to put more money into tourism promotion. That is the view that I have put. As the honourable member would be fully aware, we are working in an extremely difficult economic environment and to shift large sums of money from one area of activity to another is very difficult, particularly when—

Members interjecting:

The PRESIDENT: Order! The Chamber is very rowdy. There seems to be a lot of conversation going on. A question has been asked and an answer is being given. I ask members to respect the honourable member who has the call. The honourable Minister.

The Hon. BARBARA WIESE: Thank you, Sir. It is particularly difficult for Governments in this sort of climate to shift large sums of money from one area of activity to another in the face of constant abuse and criticism from members of the Opposition every time an attempt is made to do such a thing. The Hon. Ms Laidlaw will on one day stand up and criticise the Government because there may have been a cut in one area and the next day she criticises the Government because there has not been an increase in some other area. But she fails to realise the reality of government in this day and age—which is that we have to try to strike a reasonable balance between the needs of the various sectors of the community. I certainly know it is the case—and I think the honourable member would know this—that members of the tourism industry feel that there has been considerable and proper attention paid to the question of tourism promotion in this State having regard to the difficult circumstances in which we have been operating.

LIBRARIES

The Hon. J.C. IRWIN: I seek leave to make an explanation before asking the Minister of Local Government a question relating to libraries.

Leave granted.

The Hon. J.C. IRWIN: The Premier and the President of the Local Government Association signed an historic memorandum of agreement in October 1990. This document and others set out the structure and time frame for the dismantling of the Department of Local Government. It appears that from day one the totality of the South Australian libraries system has been kept apart from the negotiating process outlined in the memorandum documents. One section of the system cannot be dismantled without there being a domino effect. Since the important work of the Crawford Committee, local councils, with the help of Government subsidies, have played a major role in the establishment and maintenance of library services throughout South Australia.

From the Minister's answer to a question from me last week, it is apparent that negotiating teams from Treasury and the Local Government Association are about to meet to set out the parameters for the task ahead. I understand that, from a draft discussion paper on the development of a South Australian Library Information Service released on 4 December, a new organisation called the South Australian Library Information Service will be established within the newly named Department for the Arts and Cultural Heritage. The South Australian Library Information Service will have responsibility for information access services, cultural access services and information resource services. Local government will be given responsibility for the organisation, selection and distribution function for public libraries.

From yesterday's answer to the Hon. Mr Elliott, it seems that the present funding arrangements for libraries will remain to be administered by the newly formed Bureau of Local Government Affairs to June 1991. For the financial year 1991-92, the bureau receives half the funding for 1990-91. How that funding is distributed is, in the Minister's words, 'a matter for the bureau to decide'. The Government will seek to hide behind the bureau if its solemn election promise to libraries for the people of South Australia is broken—a rather strange start to the new two-team negotiating process. None of these arrangements have been achieved through that previously announced two-team negotiating process.

Further, we learn of two assumptions from the discussion paper. First, it is presumed that the responsibility for offering a public library service will lie with the Adelaide City Council rather than the State. Unquestionably this service has an outreach far beyond the City of Adelaide. Secondly, public libraries have the capacity to make the necessary adjustments to reflect the changed role of the State Library, with the assistance of an enhanced loans capacity available through the South Australian Library Information Service.

The draft report indicates a timetable of two weeks for public comment, ending on 17 December, with a final report going to the Libraries Board and the Government within the next three days following 17 December—an extraordinarily short timetable considering the time of year, the scope of the draft report and its ramifications. I put to the Minister that the public could be forgiven for thinking that the decisions have already been made, whatever comments are received. Frantic negotiations are in progress with the City of Adelaide as to a site for the new city library, and the scope of its services to the residents of Adelaide and beyond. I understand that the State Library Lending Service, as we

now know it, is to close on 13 December. My questions to the Minister are:

1. Why is not the whole question of the future of library services for South Australia part of the negotiating team process so that there is no question of an *ad hoc* approach to the restructuring of local government?

2. If serious concern is expressed about the time for consultation and submission on the draft report, will the Minister consider a longer time frame?

3. Will the Minister consider the continuation of the State Library Lending Service until the Adelaide City Council has made appropriate arrangements, including its site and finance, to set up a City of Adelaide library service?

The Hon. ANNE LEVY: I fear that the honourable member has not understood the process which is going on, despite the fact that I have indicated it to the Council on numerous occasions. The library subsidy, which was part of our election promise, is not part of the negotiation process which is about to occur because, as we have said many times, the subsidy to the public library systems of this State will not be altered. I have said it in this Council before; I have repeated it numerous times to the librarians associations; I have reassured the President of the Local Government Association; I have told many people; and I have stated it on radio on numerous occasions.

The Hon. R.J. RITSON: On a point of order, Mr President, I understand that the guidelines for media photographing in the Chamber were to concentrate on the member speaking. I notice that a camera is concentrating on a member who is not speaking, and I wonder—

The PRESIDENT: From my observation, it is on the Minister, so I cannot pass any comment. I can only hope that the photographer recognises the guidelines that have been laid down.

The Hon. R.J. RITSON: We shall watch the evening news with interest and raise the matter again tomorrow.

The PRESIDENT: Thank you very much. The honourable Minister.

The Hon. ANNE LEVY: Thank you, Mr President. As I was saying, the State Government and I have on many occasions stated, through the media, in Parliament and to any interested groups, that the subsidies paid by the State Government to the council run public libraries around this State are not at issue; they will be continued.

The Hon. J.C. Irwin: They are totally outside the bureau.

The Hon. ANNE LEVY: The administration of them might be within the bureau, but the sum involved is not being negotiated, because we have no intention of decreasing the subsidy which is paid overall to public libraries throughout the State. It was an election promise that subsidies to the public libraries system would be maintained in real terms. That has been and will continue to be achieved. That is a firm promise: the subsidies to the public libraries throughout the State will be maintained—

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY:—in real terms. We do not feel that that needs negotiation, unless local government would like us to provide less.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: It is not something to go on the negotiating table, because we have no intention of changing that arrangement.

Members interjecting:

The PRESIDENT: Order! There is too much conversation across the Chamber. The honourable Minister has the floor.

The Hon. ANNE LEVY: Thank you again, Mr President. The future, therefore, of State Government assistance to the public libraries system is not up for negotiation, because there is no suggestion whatsoever that the State Government will not continue the level of subsidy in real terms that it has been providing.

The document to which the honourable member referred is not Government policy; it is a series of recommendations which, as I am sure the honourable member is aware, has been presented to me and to the Libraries Board. No decisions have been made with regard to it. There had been extensive consultation before the document was even produced. The staff of the State Library, the Libraries Board, the Public Service Association and a large number of people with a very strong interest in this matter have been consulted for many weeks, and a large part of that consultation is embodied in the report which was presented to me. No final decisions have been made. It is premature for the honourable member to ask, 'What are we going to do about X?', when there has not yet been any decision regarding the recommendations in the report. It seems hypothetical to start considering some of those matters prior to any firm decisions being made.

I am reluctant to interfere with the time frame, which was set out, I think, in early September, to achieve the abolition of the Department of Local Government. A time frame was set for when different transfers of functions and responsibilities are to occur. Certainly the Bureau of Local Government Services will come into existence on 1 January next year. Other functions of the Department of Local Government will be changing their address and the Minister to whom they are responsible as from Monday of next week.

The transfer of the Public Record Office to State Services, to become State Records, was achieved on, I think, 19 November. If not 19 November, it was very close to that date. We are working to an admittedly tight time frame, but it was established very early, and it is a matter of considerable pride, that so far we have been able to meet the original timetable without delays. While it is imposing enormous work pressure on a large number of people in order to maintain this timetable, so far we have been able to maintain it, and I say that with some pride.

The final dissolution of the Department of Local Government is not expected to occur until 1 March next year, because numerous other matters still need to be tidied up, but it will be within the time frame which was established several months ago. I look forward to that taking place. However, I feel that it is premature at this stage to start considering hypothetical situations which may or may not eventuate.

As I have explained in this place on numerous occasions, the negotiations regarding a city lending library service are still taking place. To start saying, 'What if and when?' is premature until we know the outcome of those negotiations and what can be arranged. I am sure that as soon as the negotiations are concluded, the results will be public knowledge.

EAST TORRENS DISTRICT CRICKET CLUB AND FOUNDATION SA

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question relating to the East Torrens District Cricket Club and Foundation SA.

Leave granted.

The Hon. I. GILFILLAN: The formation of Foundation SA in 1988 provided the State Government with a vehicle of alternative funding of sporting and cultural organisations, which for many years had become dependent on tobacco sponsorship. The impact of Foundation SA has been significant and the foundation is now an integral part of the fabric of sponsorship in this State. However, in the area of sport, one club in particular has led the way since 1980 in rejecting tobacco sponsorship and promoting sport through health. That club is the East Torrens District Cricket Club which, in large part, regards itself as instrumental in initiating the formation of Foundation SA. The club has consistently sought funding assistance from the foundation since 'going it alone' in rejecting tobacco money, but to date it has had little success in constructive backing from the foundation.

Earlier this year, in my role as a member of the club's anti-smoking group, I had the pleasure of presenting the club with a sponsorship cheque for $185 000 dollars raised through donations from hundreds of anti-smoking group members, including 400 doctors. The club has offered to manage a program of coaching in schools based on substantial sponsorship from Foundation SA. The program involved a travelling cricket coaching clinic that would encompass all primary schools and employ high profile cricketers who would not only pass on the skills of the game but would present children with a strong health program. The emphasis on health would cover sun exposure, injury, diet, drug abuse (including alcohol and smoking) and physical exercise.

The club bought, at considerable expense, the services of former State shield captain David Hookes and three overseas internationals, one from the West Indies and two from the English county competition. The foundation has rejected the proposal on the grounds that it will not deal with an individual club, only the peak body, in this case the South Australian Cricket Association. However, SACA has a contractual sponsorship deal with the Benson and Hedges cigarette company and therefore is not placed to receive assistance from Foundation SA.

The East Torrens District Cricket Club's President, Dr Dean Southwood, has worked tirelessly to generate funding for the club and to promote sport and health without recourse to tobacco sponsorship. In doing so he has written to medical colleagues around Australia urging them to join the anti-smoking group and donate funds. Dr Southwood wrote a letter to the doctors which, in part, says:

> In 1980, as Chairman of the East Torrens District Cricket Club, I sponsored that club such that they agreed to officially reject tobacco sponsorship. The club became a world leader in the effort to remove tobacco companies from sport. It was instrumental in the formation of Foundation SA and was assured by Dr Cornwall, following the passage of the appropriate Bill, that East Torrens would be looked after by Foundation SA. This has not happened and I am now asking if you will join the E.T.D.C.C. anti-smoking group to support this club which has been inexplicably treated so shabbily. Someone has to oppose Benson and Hedges promotion via cricket and as neither Foundation SA or the South Australian Government will, East Torrens will continue to fight with your help. We have four hundred medical members of the support group. We would like to have one thousand. We have enclosed an application form if you would like to contribute. Please ring 223 2061 if you have any queries. Thanking you in anticipation.

The reaction to that letter and the efforts of Dr Southwood and the East Torrens club have not been appreciated by Foundation SA, which sought, through solicitors, to intimidate Dr Southwood and have him withdraw his letter asking for donations to the anti-smoking group. The foundation claims that Dr Southwood has been motivated by 'malice' and that he has 'embarked on a campaign of repeated and widespread denigration'. Those are quotes from a letter written to Dr Southwood by Baker O'Loughlin on behalf of Foundation SA. That letter, dated 29 November, says, in part:

> Our clients are not prepared to tolerate your actions any longer. We are instructed to demand the following:

There are five demands:

> A list of the people; unqualified apology; written undertaking to immediately cease and desist in the future from repeating the statements in the letter; remaining copies to be destroyed; and a written undertaking to indemnify our clients in respect of the legal costs which they have been forced to incur in this matter.

The letter goes on:

> In order to minimise the damage caused by the letter, it is essential that the apology and retraction be dispatched at the earliest possible opportunity. We must, therefore, require that you provide us with your response to the demands set out above by no later than 4 p.m. on Friday 30 November 1990.

And the letter was dated 29 November, the day before. The letter continues:

> In the event that no satisfactory response is forthcoming, our clients will have no hesitation in taking such further action as they may be advised without further notice to you. Such further action may include the institution of proceedings against you seeking substantial damages commensurate with the gravity of the defamatory allegations which you have made. Any failure by you to comply with the demands set out above or any further publication by you of the defamatory statements will be brought to the attention of the court in any proceedings arising herefrom as further evidence of malicious intent and in support of a claim for aggravated and exemplary damages. Our clients reserve the right to refer to and rely upon this letter and reserve their rights generally.
>
> Yours faithfully, Baker O'Loughlin per Peter A. Campbell.

The Hon. Diana Laidlaw: Are they suing him?

The Hon. I. GILFILLAN: They will proceed to sue him. My information is that it is their intention, unless he complies, for them to go ahead but they have not done so yet. I leave members to draw their own conclusions as to the justice of the situation. I ask the Minister:

1. In light of the trail blazing role of East Torrens in rejecting tobacco sponsorship for the past 10 years and the active promotion of health through sport, why is Foundation SA consistently rejecting the club's plea for help?

2. Given that the 'peak' body in cricket is SACA, which supports tobacco sponsorship in sport and therefore does not deal with Foundation SA, is it not in the foundations interest in promoting health to support the commendable efforts of East Torrens and provide it with suitable sponsorship?

3. Was the Minister informed of the foundation's legal action against Dr Southwood?

4. Does the Minister consider such action warranted and, if so, on what basis?

5. Does the Minister agree that the action is intimidatory and does nothing to enhance the reputation of Foundation SA?

The Hon. BARBARA WIESE: If in fact legal proceedings have been instituted, I am sure that some of those questions would be considered *sub judice*, but I shall be happy to refer them to my colleague in another place and I am sure that he will provide whatever information he can.

MALPRACTICE IN THE PUBLIC SERVICE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister representing the Minister of Labour a question about alleged malpractices within the Public Service.

Leave granted.

The Hon. J.F. STEFANI: In the November edition of the *Public Service Review* an article was published claiming that patronage, shonky selection and promotion practices

and scandals existed within a State Government department. Obviously, the article aroused much public interest when it received wider media publicity in the *Advertiser* on 19 November 1990. It obviously also attracted great publicity within the Public Service because the December issue of the *Public Service Review*, which had just been released, reported that the telephones in their publication area almost melted as similar claims of malpractices were reported by workers in other Government departments. In the December issue of the *Public Service Review*, Mr Ray Adams reports:

There have also been claims of some people having their career prospects enhanced by gratuitous appointments to acting or temporary positions. It has further been claimed that job specifications, in particular, education and experience requirements, have been rewritten to give advantage to specific applicants. A report from another department outlines an acting position allegedly being used to fill vacancies with 'mates' over a period of 12 months, and one worker is said to have climbed from CO-1 to CO-5 in that time, without interviews.'

In view of these disturbing allegations and reports my questions are:

1. Has the Minister requested a report from the Commissioner for Public Employment. If not, why not?

2. Will the Minister direct an immediate investigation into the latest allegations and direct the Commissioner for Public Employment, who has extensive investigative powers, to submit to the Chief Executive Officer of the agencies concerned his findings as to the allegations concerned and also submit them, through the Minister, to Parliament?

The Hon. C.J. SUMNER: I will refer those questions to my colleague and bring back a reply.

MENTAL HEALTH ACT

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question about the Mental Health Act.

Leave granted.

The Hon. J.C. BURDETT: In the last session of Parliament I moved an amendment to the Aged and Infirmed Persons Property Act to provide that the administrator, where an order was made by the Guardianship Board, need not necessarily be the Public Trustee but could, in appropriate cases (apart from extraordinary cases), be a member of the family. As reported at page 838 of *Hansard* I quoted an official review of the Guardianship Board and the Mental Health Tribunal:

The issue raised most frequently in relation to administration orders refers to the perceived inefficient handling of estates by the Public Trustee.

The delays in attending to the needs of clients and caregivers have been acknowledged by the board and the Public Trustee. However, despite meetings between both parties the situation does not appear to have improved. The review team is informed by the Public Trustee that the delays and inefficiencies are due to inadequate resources and training in the Public Trustee's office.

Further down I quoted from the same report—and this was the main point as far as I was concerned, because it was brought up frequently by constituents—as follows:

A related concern is the requirement that the board appoint the Public Trustee as administrator unless there are special reasons not to do so. There are criteria for determining special reasons and, although the board has adopted some informal guidelines, there is inconsistency in the way they are being applied. There is also a concern that some administrators may abuse their authority if appointed.

However, there is also concern that the Public Trustee is being appointed when a family member or other private administrator could provide a more personalised and effective service. It is acknowledged that complex decision making is sometimes involved with large estates.

The Attorney, who was dealing with that Bill—the Aged and Infirm Persons Property Act Amendment Bill—was most cooperative and said basically that he agreed with the amendment but that he did not want it in that Bill. The Hon. Mr Elliott supported me and the amendment was carried. The amendment was overturned in the Assembly. When it came back on a message—and I am referring to page 1244 of *Hansard*—the Hon. Mr Sumner stated:

I am not unsympathetic to the amendment, but I would prefer that the matter be dealt with as part of the overall consideration of what was a fairly wide ranging review which we will be considering, assuming that current intentions are adhered to, in the budget session [this session]. On that basis I would ask that the matter be left for the moment. The issues I have raised can be examined by the Government, and the matter can then be re-examined in this Council when the Government brings in its concluded view on it.

The Hon. Mr Elliott stated:

I have made it clear that I agree with the sentiments of the Hon. Mr Burdett. I supported the amendment last time and expressed then virtually the same fears that he is expressing now. The Attorney has talked about a Bill coming some time in the budget session. Will he put any deadline as to when we will see that?

In effect, the Hon. Mr Sumner said that, as the Mental Health Bill was not his Bill, he could not put a deadline on it, although he hoped that it would be relatively early. When the Hon. Mr Elliott tried to press him further, the Attorney said that he would write to the Minister of Health and request that the matter be dealt with separately, if necessary, apart from the general review. My questions to the Minister of Health are:

1. Can the Minister indicate when the review will be completed and when we will get a new mental health Bill?

2. If this cannot be completed in time, when will this matter be dealt with?

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

RADAR TRAPS

The Hon. PETER DUNN: Has the Minister of Local Government a reply to my question of 8 August about radar traps?

The Hon. ANNE LEVY: I seek leave to have the reply to the question inserted in *Hansard* without my reading it, and I suggest all members read *Hansard* to see what is there.

Leave granted.

My colleague the Minister of Transport has advised that since January 1990, speed detection statistics have been recorded on micro computer. However, these statistics only distinguish roads between different police divisions. From 1 January to 30 June 1990, 638 speeding reports were lodged for the Main North Road between Gepps Cross and the Para River.

Statistics are not available for as small a section as one kilometre. However, for comparison, the section of Main North Road from Adelaide to Gepps Cross recorded 686 speeding reports for the same period.

On the basis of a recent examination of the road and traffic conditions on Main North Road at Pooraka, the Department of Road Transport intends to provide a 70 km/h speed zone in lieu of the existing 60 km/h limit and is at present discussing the matter with Salisbury City Council.

SHEEP BURYING

The Hon. PETER DUNN: Has the Minister of Tourism a reply to my question of 6 September about sheep burying?

The Hon. BARBARA WIESE: I seek leave to have the reply inserted in *Hansard* without my reading it.

Leave granted.

In response to the honourable member's question my colleague the Minister of Agriculture has provided the following information:

There is no current facility under the Commonwealth Rural Adjustment Scheme (RAS) to provide assistance for the disposal of surplus sheep. Currently the Federal Minister of Primary Industries and Energy (Mr Kerin) is investigating the problem of too much wool production and how to reduce production drawing on the State's Department of Agriculture for information which may lead to solutions. A business plan has been drawn up by the Australian Wool Corporation which includes an option to use producers' money to fund the disposal of sheep. Mr Kerin has asked for details before he will decide on a scheme. It will be up to a month before the decision is made.

No State funds are available through the Department of Agriculture to fund disposal of sheep, although technical advice to farmers and local councils is freely offered by Department of Agriculture staff on humane destruction and safe disposal.

It is primarily the responsibility of farmers to dispose of surplus sheep in an appropriate way. However, under the Health Act the Local Board of Health has the responsibility of maintaining the sanitary conditions of districts. It is on the basis that local government may assist farmers to dispose of their surplus livestock. The costs incurred in digging pits and handling the stock are therefore the responsibility of the farmers and local councils.

Other regulations require the stock to be disposed of in a humane way and that the burial site be acceptable to the E&WS Department, to avoid pollution of underground water.

BENNETT AND FISHER LIMITED

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

That this Council views with concern the decision of the State Government Insurance Commission to vote at the recent annual meeting of Bennett and Fisher Limited in support of a motion seeking ratification of the purchase by the company of a building at 31 Gilbert Place, Adelaide, in view of the circumstances surrounding this purchase and the strong opposition of many major shareholders.

Bennett and Fisher Limited is a publicly listed company headquartered at 12 Currie Street, Adelaide. It has a 70-year-old history, being until recently predominantly involved in pastoral pursuits. The background to the motion takes us back to August 1983. On 3 August 1983 two companies associated with Mr A.G. (Tony) Summers—Goondiwindi Investments Proprietary Limited and Cugroup Pty Ltd, which I understand is linked to the Commercial Union Group—together with the State Government Insurance Commission lodged substantial shareholder notices with the Stock Exchange.

SGIC had purchased 831 171 shares in Bennett and Fisher, 14.2 per cent of issued capital, and Cugroup and Goondiwindi had purchased 752 300 shares, 12.86 per cent of the issued capital. This was a defensive measure designed to prevent an unwelcome takeover of Bennett and Fisher at the time. On 20 September 1983 Bennett and Fisher announced that Mr Summers had been appointed chief executive of the company and had taken up the position of Managing Director. Previously, Mr Summers had been Chairman and Managing Director of Australian Bacon.

On 24 October 1983, Mrs Kitty Summers purchased 31 Gilbert Place, Adelaide, for $195 000. I have ascertained to the best of my knowledge that the property was not publicly advertised. However, I have been unable to establish the date of the signing of the contract. I have spoken to people closely involved with Bennett and Fisher at the time of the transaction (October 1983) and to their best recollection no mention of that transaction had been made at the board level of Bennett and Fisher.

The Hon. I. Gilfillan: Why would it have been made? It was Mr Summers' wife—why would the board be involved?

The Hon. L.H. DAVIS: Certainly, there is no Stock Exchange disclosure requirement breached *per se* by the failure to disclose that information publicly, however, one may presume that a building adjacent to the head office of the company that had been purchased by the wife may well have been the subject of a board minute. That was not the case. On 1 December 1983, Mr Denis Gerschwitz, General Manager, SGIC, was appointed to the board. I presume that he was appointed to the Bennett and Fisher board by the fact that SGIC was a substantial shareholder in the company.

I presume also that this appointment was given clearance from the Government of the day. That highlights the difficulty of Mr Gerschwitz's appointment. SGIC, with a major share portfolio obviously adjusted from time to time, could well have been constrained by Mr Gerschwitz's directorship of Bennett and Fisher if it wished to buy and sell shares in that company.

Indeed, many Australian investing institutions as a matter of policy do not permit senior executives to sit on boards of public companies. Clearly, a conflict situation may arise, as may constraints in the buying and selling of shares.

I move to the circumstances leading to the present controversy. In January 1988, Bennett and Fisher purchased a building, which at that time was owned by the Law Society, for just in excess of $2 million. In April 1989 the property owned by Mrs Summers at 31 Gilbert Place was purchased by Bennett and Fisher for $4.5 million: it was purchased not directly by Bennett and Fisher, but by a nominee company. I do not wish to make too much of that point.

An honourable member interjecting:

The Hon. L.H. DAVIS: Yes. The point that emerges is that there is a reference to the fact in the Bennett and Fisher annual report for 1988-89. A footnote on page 16 states:

The company acquired a commercial property from a related party to Mr A.G. Summers. being Mrs C.H. Summers (spouse), as part of a property development project for ultimate resale. The transaction was undertaken through an independent national real estate firm, with the full knowledge of the company's auditors and was conducted at arms length. A related party, Mrs C.H. Summers, is a partner in one of the legal firms the services of which the company uses on commercial terms.

There is no disclosure of the proximity of the property, nor of the size of the property transaction, which becomes relevant later on. On page 12 of that same 1988-89 report, property held for resale, under footnote 13 of the accounts, is listed at cost at $6.82 million, as distinct from the value of property held for resale at cost at the end of the previous year, which was $2.126 million.

That clearly indicates the transaction that took place with Mrs Summers, but there was no other reference to it in the statement of affairs of the company. On page 15 it said that in the opinion of the directors there was no significant change in the state of affairs of the company. It states:

Likely Development: The Directors believe that it would prejudice the interest of the company by providing information about the holding company or any of its subsidiaries.

But at the time of the purchase of 31 Gilbert Place, Adelaide, there was a clear, unambiguous and unequivocal requirement to comply with the Australian Stock Exchange listing rule 3 J (3) *(a)* which states:

(3) *(a)* A listed company and/or any of its satellites, shall not purchase, gain, obtain or otherwise acquire . . . any assets . . . where the consideration payable . . . is in excess of 5 per cent of the total issued capital and reserves of the listed company as at the date to which the last audited accounts were made up without the prior approval of its shareholders in general meeting if the vendor—

and I am paraphrasing this summary of the Stock Exchange rule—

was any person or company who for the purposes of the Act would be regarded as a person or company associated with a listed company or its related corporations.

At the time of the transaction there was no doubt that Mrs Summers fell into that description, or may well have been trapped, alternatively, by the definition under clause 3 J (3) (iv). The value of that asset purchased was $4.5 million. The shareholders' funds of Bennett and Fisher at the time of the last audited accounts, of June 1988, were $42.16 million. This transaction for $4.5 million represented 10.7 per cent of the total issued capital and reserves of the company, which was more than double the 5 per cent required by clause 3 J (3).

That is, as I have said, an unequivocal requirement. I am at a loss to explain why the requirement was not observed and why, instead of calling the meeting as required in March or April 1989 the company was eventually forced by the Stock Exchange to hold a meeting in November 1990, 18 months later, to ratify the transaction. There can be no excuse for this admission.

In fact, lest there be any doubt about rule 3 J (3), rule 3 J (3) *(g)* states:

Where a listed company proposes a transaction and wishes to clarify whether or not the Home Exchange will form an opinion that an association exists such that the transaction should . . . be referred to the shareholders of the company in general meeting, full details shall be provided to the Home Exchange so that a determination by the Home Exchange may be made prior to the company entering into the transaction.

I underline the words, 'prior to the company entering into the transaction'. In other words, rule 3 J 3 *(g)* invites a company in doubt to provide full details to the Exchange prior to the company's entering into the transaction. Yet not one director of the Bennett and Fisher board recognised the requirements or the possibility of the requirements of clause 3 J (3) being triggered is beyond belief: in fact, it was double the 5 per cent level.

I have only a passing acquaintance of Stock Exchange rules, but even I was aware of that basic requirement, which has been in Stock Exchange rules for some time—for good reason. The failure of the company to comply with clause 3 J (3), moreover, disadvantaged shareholders.

Cugroup Pty Limited, which had first become a major shareholder at the same time as Mr Summers did, in August 1983 and which was deemed to be a related company to Mr Summers, would have been unable, if a meeting had been held in March or April 1983, to vote on the motion because it was a related company, but by the time the meeting was held just three weeks ago the Cugroup was no longer deemed to be an associated company, and was eligible to vote.

So, belatedly the company was forced by the Adelaide Stock Exchange to hold a meeting, which took place on Friday 23 November 1990. Before the meeting, Australia's largest institutional investor—the AMP—announced that it would register a protest against the property deal. That in itself made a headline in the *Advertiser* of 23 November.

Certainly, all the reports of the annual meeting show that it was a real 'wild west' show. I am not making any allegations about corporate cowboys, but all the reports from media observers and also from shareholders who were present at the meeting and to whom I have spoken indicate it was a ruckus.

Shareholders had great difficulty in obtaining information. The Chairman tried to close the annual meeting without discussion. Many people received unsatisfactory answers to very relevant and straightforward questions. According to reports, many employees at the meeting were there voting. They may well have been shareholders.

A report by Crispin Wood in the *Advertiser* of 24 November indicated that the meeting ran for three hours, from 11.30 to 2.30; that in fact the motion to ratify the controversial $4.5 million property deal was passed narrowly on a show of hands; and then the AMP Society demanded a poll, which again passed narrowly. The poll result was 6.35 million shares for the motion and 4.65 million shares against the motion, but the fact that the SGIC, which had a major holding in Bennett and Fisher, voted for the motion enabled it to pass. That is the nub of the motion which is before the Council today: if SGIC had not participated, then the motion to ratify this controversial property transaction would have been lost. The SGIC is the largest shareholder on the register with 2.4 million shares, or 16 per cent of Bennett and Fisher, and if those 2.4 million shares had been taken out there would have been fewer than 4 million shares in favour of the motion against 4.65 million shares against the motion.

Andrew White, from the *Australian Financial Review*, in an article on Friday 30 November, made the point that Mr Gerschwitz had told the meeting that 'all the directors knew of the transaction and the vendor before completion and that a vote in favour of the deal was "in the best interests of all shareholders". 'In fact, Andrew White goes on to claim that Gerschwitz "was advised by the Australian Stock Exchange' not to vote on the resolution at the meeting because of a possible association with Mr Summers, though he could not legally be prevented from doing so.

Mr Gerschwitz, in strongly defending his right to vote, claiming that he had legal advice, saying there was nothing to stop him from voting, said that 'other institutions which voted against the transaction had been "ill-informed" on the matter', according to Andrew White. Mr Annells, who chaired much of the meeting, told the meeting that the board's failure to inform the Exchange on the transaction, back in the first half of 1989, or put it to shareholders before it took place, was an oversight. It was some oversight!

Another controversial aspect which was again highlighted by Andrew White was that before the meeting the Stock Exchange had ruled that Goondiwindi Investments, Mr Summers' private company, and Cugroup Pty Ltd, could not vote. As I have mentioned, Cugroup is an associate of Commercial Union Assurance Pension Fund, which holds 1.66 million shares in Bennett and Fisher. Cugroup had been listed in 1989 and in earlier accounts of Bennett and Fisher as an associate of Mr Summers for the purposes of the Companies Code.

It is claimed that they may have had some link in helping to finance some of Mr Summers' transactions. That is why Cugroup was deemed to be an associate. However, in the 1990 accounts Cugroup was not listed as an associate and did vote on the resolution, claiming there was no longer that nexus between them and Mr Summers. As I have said, it was interesting that the AMP (the largest institutional

investor in Australia), the NRMA (the New South Wales equivalent of the RAA) and the GIO (the New South Wales equivalent of the SGIC) all voted against it.

Looking at the support for the motion, and isolating the support for it, it would appear that, of the 6.35 million votes in favour of the motion, 6.2 million votes came from just four institutions: the SGIC with 2.4 million shares (Mr Gerschwitz, General Manager of SGIC and Director of Bennett and Fisher); the Cugroup, with 1.66 million shares, which between 1983 and 1989 had been listed an associate of Mr Summers, was not deemed to be at the time of the transaction; Kidman Holdings Pty Ltd, with just over one million shares; Mr Summers and another director of Bennett and Fisher were also directors of Kidman Holdings and I understand that they voted at this meeting. Finally, Dalgety Farmers Nominees Pty Ltd and Dalgety Pension Fund both had 1.1 million shares at the time of the transaction, that is, in April 1989. Mr Summers had been a director of Dalgety Farmers. So, in other words, apart from that block of four major institutions, virtually no-one was in favour of the motion.

The other aspect which is paramount in this case is the valuation of the property at 31 Gilbert Place. The same Australian Stock Exchange rule 3J (3) applies. It is 3J (3):

> Notice of any meeting of shareholders to approve any transaction referred to in listing rules 3 J (3) *(a)* shall be accompanied by copies of reports, valuations or other material from independent qualified persons sufficient to establish that the transaction is fair to all shareholders, except those shareholders who, pursuant to listing rule 3J (3) *(d)*, are precluded from voting in the meeting.

In other words, for those shareholders who are not associated with the vendor, as in this case, it is important that they have a proper valuation: the provision refers to 'reports, valuations or other material from independent qualified persons sufficient to establish the transaction is fair' and reasonable.

It was left to PW Corporate Financial Advisory Services Party Ltd, a member of the Price Waterhouse group, to prepare a report as required by section 3J (3). I take it from reading this report that the company was acting as accounting experts and not real estate valuers. The matter of great concern to major shareholders, both institutional and private, and certainly a matter of bemusement to me, is that there is no accompanying report from a real estate expert. In other words, PW Corporate Financial Advisory Services made an assessment of the property at 31 Gilbert Place as accounting experts and not as real estate experts. Of course, it was the valuation of this land at 31 Gilbert Place which angered the institutional and private investors and which has led to their opposing the transaction.

The PW Corporate Financial Advisory Services report was prepared on 9 October 1990. The service was asked whether, in its opinion, the purchase of the building at 31 Gilbert Place on 17 March 1989 by Bennett and Fisher Ltd from Mrs Summers for $4.5 million was fair and reasonable from the point of view of the non-associated shareholders. They argued that it was. I will not go into the detail of their argument. Sufficient to say that they ignored totally any reference to what real estate valuers thought about the property; there was no reference whatsoever to what valuers in Adelaide or independent valuers from interstate believed the property was worth.

On page 3 of their report they commented that an offer had been received on 1 June 1990 from a developer to purchase the three properties for $11 million. Those properties were the properties that had been owned by Mrs Summers at 31 Gilbert Place, the property next door to that owned by the Law Society at 33 Gilbert Place and the Bennett and Fisher building at 12 Currie Street. It was in relation to those properties that had been brought together as a block that the company had allegedly received an offer on 1 June to purchase the properties for $11 million.

There is no comment by PW Corporate Financial Advisory Services as to who had made that offer, although there is a claim in a later *Financial Review* article that, in fact, it was made by Dalgety Developments. No effort was made to ascertain whether that was a realistic offer or whether that offer was likely to be consummated. So, the PW Corporate Financial Advisory Services report—of some six pages—focused, as one would expect an accountant to focus, on the transaction, on the effect on profitability of the group, and on the effect on assets and liabilities of the company. They then declared, quite properly, that they had no interest in the outcome, apart from obtaining a fee.

Let us consider the property itself and see what the facts were. The site and capital values of 31 and 33 Gilbert Place and 12 Currie Street are set out in a table, which I seek leave to have incorporated in *Hansard* without my reading it.

Leave granted.

PROPERTY SITE VALUES AND CAPITAL VALUES

	1988-89		1989-90		1990-91	
	Site value $	Capital value $	Site value $	Capital value $	Site value $	Capital value $
31 Gilbert Place* . .	225 000	400 000	500 000	500 000	500 000	500 000
33 Gilbert Place† . .	415 000	1 360-000	925 000	2 000 000	925 000	2 000 000
12 Currie Street . . .	—	—	3 300 000	3 700 000	3 300 000	3 700 000

* Purchased for $4.5 million by FGP Nominees (SA) Pty Ltd, 14 April 1989.

† Purchased for $2.026 million by Currie Investments Pty Ltd, 12 January 1988.

The Hon. L.H. DAVIS: The fact that the site value and capital value of 31 Gilbert Place were identical in 1988-89 and 1989-90 reflects the fact that the Valuer-General believed that 31 Gilbert Place was, to use the vernacular, 'a knock-down job'. That view did not apply to 33 Gilbert Place. In 1988-89, as the table indicates, the capital value of 33 Gilbert Place was $1.36 million, which was more than three times the value of 31 Gilbert Place, and yet Bennett and Fisher had paid more than double that amount for 31 Gilbert Place. That certainly is at odds with the Valuer-General's assessment, even allowing for a healthy premium for control of the site.

A basic measuring stick of land is the rate per square metre basic plot ratio for the site. The site area of 12 Currie Street and 31 and 33 Gilbert Place is 1 345 square metres. The existing planning laws permit a building seven times the area of the site. To calculate the rate per square metre basic plot ratio for the site, one uses the three figures as follows: step one—divide $11 million by 1 345 square metres and the result is $8 187; step two—divide $8 187 by seven and one achieves the basic plot ratio of $1 168 per square metre.

As far as I can ascertain, that represents the highest value for any office site anywhere in the commercial heart of Adelaide. One must remember that that offer was made on 1 June 1990, when the property market was well off the boil, when there was a recognition of vacancy rates skyrocketing in Adelaide and when there were very few property deals being consummated.

Valuers to whom I have spoken believe that $800 per square metre basic plot ratio would be a more realistic value. That equates to an aggregate value of the site of $7.5 million rather than $11 million. Of course, it is worth noting that the offer to purchase for $11 million was expressed as an option, as I understand it. It was not a firm offer; it was just an option to purchase and it may well have been from a company closely associated with Bennett and Fisher, that is, Dalgety Developments, because Bennett and Fisher and Dalgety Farmers have joint pastoral interests.

Mr Andrew White, writing in the *Financial Review* on Friday 23 November 1990—the day of the Bennett and Fisher annual meeting—claimed as follows:

> Bennett and Fisher intends to sell its properties to the joint partners, Dalgety Developments for $11 million once approval is given by the Adelaide City Council.

Mr White then notes that on Monday 19 November, the council had refused the proposed development as it stood. I have contacted major institutions and leading valuers. I cannot get one person to agree that the $4.5 million paid for the Gilbert Place site was anywhere near the market value for that property. I readily accept that there may have been some small firming in property values in Adelaide between January 1988, when the Law Society building was purchased for $2 million, and the time that the $4.5 million transaction took place for 31 Gilbert Place.

I accept that that firming could have been in the order of 10 to 15 per cent. I checked that with people who are familar with property values in Adelaide and they confirm the accuracy of that view. However, as one valuer noted, to pay nine times the capital value placed on the land by the Valuer-General is undoubtedly quite easily a record for an office development site in the heart of Adelaide. Why did the GIO (as I have said, the New South Wales equivalent of the SGIC), the NRMA (the New South Wales equivalent of the RAA) and the AMP so vehemently oppose it?

In fact, why did the AMP State Manager, Mr Geoff Haddy, demand a poll? Why did Mr Haddy speak against the motion at the Bennett and Fisher annual meeting saying that, from the information supplied or available, the fair and reasonable value of the property, in the view of the AMP, was significantly and substantially below the transaction value? Why do all the valuers I have contacted generally agree the building at 31 Gilbert Place was worth no more than $1.5 million to $2 million at the time of purchase, given that the Valuer-General had placed on the Law Society building at 33 Gilbert Place, a bigger and better building, capital value three times higher than the building at 31 Gilbert Place in 1989, the building owned by Mrs Summers?

Another point that was made about this transaction was that, given the location of 31 Gilbert Place, tucked down the back of that lane (in fact, it is Arthur Murray Dance Studio if people wish to identify it)—

The Hon. R.I. Lucas: The soft shoe shuffle!

The Hon. L.H. DAVIS: Yes, there has been plenty of soft shoe shuffling going on about this transaction. It was very hard to justify. There is still a question mark hanging over the likelihood of Gilbert Place being closed off or being covered over, as Bennett and Fisher and has argued for publicly in recent months. More importantly, in April 1989, when the transaction was consummated, there was no planning approval for any development of that aggregated site—none whatsoever.

It has also been argued with some force by many people involved in property that, if you are going to pay what is a super premium for a site such as 31 Gilbert Place, the risk should undoubtedly be with the vendor. It would be normal to have just an option subject to gaining planning approval. That simply did not occur in this case. In other words, the risk should have been borne by the vendor until planning approval for the development of the whole site had taken place.

In fact, the argument that has been put to me very clearly is that the vendor of 31 Gilbert Place could sell it only to Bennett and Fisher for a big premium: no other buyer would be interested in paying a premium for control. So, the deal, quite clearly, was very much in favour of Bennett and Fisher in the sense that it could argue that certainly it may have been interested in the site, and the aggregation of the site made sense, but certainly it should have negotiated a price. There is no evidence at all from the board at the time Bennett and Fisher was forced to go public on this transaction that can justify the amount. Nor has it led any evidence about the board taking independent advice from valuers. There is no independent valuation advice provided by Price Waterhouse that can justify the $4.5 million.

Another curious aspect of the transaction is that the Law Society building at 33 Gilbert Place had been put in a subsidiary company of Bennett and Fisher—Currie Investments Pty Limited. Yet, the site at 31 Gilbert Place was put in another nominee company, FGP Nominees (SA) Pty Limited. That is curious in the sense that, if subsequently Bennett and Fisher had wanted to develop that site as a whole, it would have had to transfer the building out of FGP Nominess into, presumably, Currie Investments. That would have attracted additional stamp duty. That would be a strange way to approach a transaction, one would have thought.

As I have said, no building approval has been given for any development on this site contained within the area of 12 Currie Street and 31 and 33 Gilbert Place. However, on 7 November there was a news release from Bennett and Fisher claiming that there were plans for $100 million landmark office and retail development in the heart of Adelaide's central business district. It stated:

> The proposed 23 level tower will be one of Adelaide's largest prestige office . . . and will be developed on the north-western corner of King William Street, Currie Street and Gilbert Place—Adelaide's main business street intersection.

Plans and a letter of intent have already been lodged by the Adelaide City Council. The news release further states:

> The Bennett and Fisher site is one of the most attractive central city sites—ripe for development. The proposed site currently comprises four individual property holdings owned by Bennett and Fisher Ltd and ANZ Staff Superannuation (Australia) Pty Limited.

It then noted:

> Bennett and Fisher and Dalgety Developments have also lodged a second proposal involving 12 levels of office space on the existing Bennett and Fisher properties with quality retail at ground floor level. This proposal has a site area of 1 345 square metres.

Presumably, that was a second option. The curious aspect about that announcement is that one would be led to believe that Bennett and Fisher, in making an announcement for a $100 million landmark office in the heart of Adelaide, one of the largest prestige office and retail projects, had control of all sites.

Only today, I spoke with a senior executive for the ANZ banking group. He certainly concedes that there have been discussions with Bennett and Fisher about the ANZ Building on the corner of Currie Street and King William Street—in recent months; in fact, in the last dozen weeks or so. But certainly there has been no firm commitment on the part of the ANZ Banking Group to sell its property or to develop it jointly with Bennett and Fisher. That senior executive to whom I spoke today was the General Manager of the Property Investment Division, and he made very clear that there

were no firm deals with Bennett and Fisher. In other words, the announcement really does skate over very thin ice in terms of presenting an accurate picture of what is the current situation.

I now turn to some subsidiary matters that I want to mention before concluding my remarks. Bennett and Fisher has in fact committed several indiscretions which, in my view, do not reflect terribly well on the company—indiscretions which have occurred in recent years. On 22 March 1990, the Australian Stock Exchange suspended the company shares for trading for three days, as a disciplinary measure for failure to maintain an informed market, pursuant to Listing Rule 3 A (1). The official memo from the Australian Stock Exchange to the stock market was:

> This action had been taken in view of the fact that the company had not informed the market that an application had been issued by CSR Limited on 29 December 1989 in the Federal Court (Sydney) seeking damages in the sum of $40 million.

CSR made application on 29 December 1989 to sue Bennett and Fisher for $40 million following the 1987 acquisition of Bennett and Fisher's Anchor Food business. The Stock Exchange clearly took a dim view of that. It believed that it was a matter of importance about which the market should have been advised. As a result, the Stock Exchange disciplined Bennett and Fisher by suspending it. In my view, that is unusual for a major public company.

The second aspect, which has received widespread criticism in the business community and, I understand, at the annual meeting, was the failure of Bennett and Fisher to advise that companies associated with Bennett and Fisher's Chairman and Managing Director, Mr Tony Summers, were in receipt of consulting fees. In the 1988-89 balance sheet there was no reference to consulting fees. Following a general inquiry from the Adelaide Stock Exchange, the 1989-90 annual report provided a note advising that total fees rendered by Strategic Business Services Pty Limited, of which Mr Summers is a director, were $540 000 compared with 1988-89, when the fees paid were $510 610. I will say no more than that they are healthy fees. They certainly compare more than favourably with any company of that size in Adelaide, and clearly there has been some criticism that those figures had not been included in the accounts.

Finally, in the 1987-88 annual report, the auditors of Bennett and Fisher—Peat Marwick Hungerfords—noted that Bennett and Fisher had departed from an accounting standard by failing to depreciate its buildings; depreciation should be charged to the profit and loss account to absorb the value of buildings over their useful lives. Again, I would have thought that was a fairly basic provision. I again make a note without comment that, as far as I can see, Peat Marwick Hungerfords are no longer the company's auditors.

I conclude by looking at the role of the SGIC and Mr Denis Gerschwitz. Clearly, the major shareholders have been justified in being angry about the failure of the company to notify its shareholders of this transaction and its failure to have a meeting, as required, to ratify the transaction in April 1989 before it occurred. I can understand why shareholders are angry that the meeting, by being delayed for 18 months, led to a different result from what it otherwise would have been. I can also understand why shareholders are particularly angry about the role of the SGIC, and that is why I have moved this motion today. It could be argued that it is an unusual measure to debate in a House of Parliament, but SGIC is a statutory authority and it has a special duty of care and a special responsibility to set an acceptable standard.

Bennett and Fisher is not in the property business, but SGIC has significant investments in the property business. It should know that valuations are basic to a proper judgment of any particular purchase. The failure of Mr Gerschwitz, of the SGIC, along with the other directors of Bennett and Fisher, to ensure that a valuation took place is most disappointing. But what concerns me most of all is that SGIC actually voted on this transaction.

The Australian Stock Exchange clearly was uneasy about it. Certainly all the other major institutions not associated with Bennett and Fisher were also uneasy about it. I do not think it is good enough that they have behaved in this fashion. I shall certainly be interested in the Government's response, because it has created an odour in the business community of Adelaide. There is a lot of talk and criticism about SGIC's role in this matter. The view of major institutions was that the value paid for 31 Gilbert Place was too high. There was a view that, in the circumstances, SGIC, as a major institutional holder, should have been excluded from the vote. It was not cricket; it was not significant arm's length; and it was not an action above reproach.

The Hon. M.S. FELEPPA secured the adjournment of the debate.

NATIONAL CRIME AUTHORITY QUESTIONS

Adjourned debate on motion of Hon. K.T. Griffin.
(For wording of motion, see page 2303.)
(Continued from 5 December. Page 2310.)

The Hon. C.J. SUMNER (Attorney-General): I oppose this motion. I hope that I shall not delay the Council for very long. Given the competition for publicity and notoriety between the Democrats and the Liberals in relation to any matter involving the NCA, I assume that the Democrats will support the motion moved by the Hon. Mr Griffin.

I should like to make one or two comments. In the motion the Hon. Mr Griffin is suggesting that the Legislative Council should express concern that the only major successful conviction to have been achieved as a result of the NCA's activities in South Australia is against the Police Drug Squad Chief Moyse.

It was made clear by Mr Le Grand, when he made his first public statements on taking office as the South Australian member in February 1989, that the role of the NCA was to get convictions if wrongdoing was found out, but also to clear the air—to clear allegations which had made but which were found to be of no substance. Therefore, the fact that there have not been any convictions does not necessarily mean that the NCA has been a failure. In fact, the NCA was brought to South Australia in 1988 because large numbers of allegations had been made during that year.

The suggestion was that South Australian police, and the anti-corruption branch that had been proposed to be established within the South Australian police, was not adequate to deal with those allegations of corruption and, of course, that it did not have the coercive powers. So the NCA was brought here with its coercive powers with the specific task of looking at the large number of allegations made in 1988 and to look at the matters raised in the 1988 interim report, part of which was tabled in this Parliament; so it was to look at the allegations. However, it is worth noting that the 1988 interim report prepared by the Stewart authority referred to the possibility of an unacceptable level of unethical practices in the Police Force, if the allegations were true.

Therefore, even the 1988 interim Stewart report was qualified to that extent. The NCA/Stewart advice to us, which was confirmed by the incoming authority and, I think, by

Mr Dempsey in his statement earlier this year, was that in South Australia we did not have a situation of institutionalised public or police corruption of the kind that had been identified in Queensland or New South Wales. That is still the position.

So, certainly, the NCA was brought here to investigate outstanding allegations including those made in 1988 during the hysteria of the corruption debate at that time. But one of its roles, obviously, was to clear up allegations if they were not true. So, to suggest that just because no convictions have been obtained means that the National Crime Authority has not been doing its job is, I think, not a correct way of putting it.

It may be that the NCA is not getting successful convictions because, in fact, there is very little public sector or police corruption in South Australia. That is a perfectly consistent position with the fact that no major convictions have resulted from their activities in South Australia. I know that honourable members opposite and the Hon. Mr Gilfillan will be very disappointed if that turns out to be the case, but it may just be that there is not the degree of corruption in South Australia's Police Force and public sector that was indicated to have been the case by certain members opposite and by others in 1988.

The Hon. K.T. Griffin: That would be a good thing for South Australia.

The Hon. C.J. SUMNER: The Hon. Mr Griffin says that that would be a good thing for South Australia. Quite right. That is the very point I am making in criticising that part of the motion which he has moved. The second matter I wish to criticise is that, apparently, the Hon. Mr Griffin is suggesting that the secrecy provisions of the Federal National Crime Authority Act 1984 and, possibly, the State supporting Acts should be amended to enable questions to be answered. In other words—and this is quite extraordinary when you think about it—what the Hon. Mr Griffin is suggesting is retrospective legislation to override secrecy provisions in the National Crime Authority Act so that people can reveal information that hitherto was secret.

What an extraordinary proposition that is, to put forward seriously. Just think of all the people who have given evidence to the National Crime Authority, the authority using its coercive powers, knowing that the National Crime Authority has secrecy provisions. They will now find that, by retrospective Act of Parliament, the secrecy provisions that everyone thought were in place could be overturned.

It might be that the Hon. Mr Griffin will say, 'Oh, I didn't mean that. Of course, I just want the secrecy provisions lifted to enable these particular matters to be addressed.' Well, where do you draw the line? Make no mistake about it: what the Hon. Mr Griffin is suggesting (and I will be happy to debate with him his attitudes to retrospective legislation in the future) is that he wants retrospective legislation to override secrecy provisions in an Act of Parliament that everyone who has dealt with the NCA up until the present time has thought would be in place.

That is extraordinarily dangerous and extraordinarily irresponsible. It emphasises what I have said before, which is that the Hon. Mr Griffin and the Hon. Mr Gilfillan are in competition for political publicity about this which they hope will be favourable, rather than looking at a responsible approach. I will be interested to see what the Hon. Mr Gilfillan says about the notion of retrospective legislation to override secrecy provisions in an Act. If we start that precedent, then let us do it on everyone of the NCA inquiries over the past 10 years. Let the secrecy provisions go by the board. Let all the people who have appeared before the NCA on the basis that their information would be secret have their indentities revealed. It is an outrageous proposition. I know that the Hon. Mr Griffin will say that it is only in relation to this particular matter—

The Hon. K.T. Griffin: That's right.

The Hon. C.J. SUMNER: It is still retrospective legislation. If the honourable member is willing to take this step and override secrecy provisions in relation to this matter, what is to stop him suggesting that it should happen in relation to any other matter about which he thinks he can gain political capital? It is an appalling act of irresponsibility even to suggest that it should happen.

I turn now to the substance of the questions. The annexed schedule, so-called, is a *pot-pourri* of questions which cover a whole lot of issues. In so far as it deals with the progress of the NCA in South Australia—questions 1, 2 and probably 31—I anticipate that again next year, as last year, a report will be given to the Parliament on the activities of the NCA in South Australia for 1990. I would imagine that those matters could be addressed in that report and, if members want any other matters brought to the NCA's attention as matters to which they would like answers in respect of the progress of particular matters, I can certainly refer them to the NCA and, provided it does not compromise any operational progress, I am sure it would be happy to provide the information. That can be done in the proper way at the time of the report, just as we did in April this year.

The other category of questions relates to the continuing problem of Operation Ark. All I can say about that is that we have done Operation Ark to death in this Parliament. It has been investigated by the joint parliamentary committee that has the responsibility for dealing with the NCA. I fail to see how any further inquiry into this matter will advance the interests of anyone.

I repeat—and I am sorry that I have to continue to do it—that there was a dispute within the NCA about Operation Ark. That is obvious to anyone. But what good purpose can now be served, in the absence of evidence of illegality or political interference or whatever, by continuing with the sorts of questions that are asked, particularly as the joint parliamentary committee which has that oversight of the NCA has looked at the matter and has produced its report: a majority report and a minority report?

I am firmly of the view that a responsible approach to this matter—and as I said before, I do not believe that members opposite, either the Liberals or the Democrats, are capable of a responsible approach—is to allow the existing NCA with its new Chairman to get on with its job. There is little point in this. In any event, I suspect that most of those questions have been answered in one form or another. Certainly, I see the Hon. Mr Griffin is having another go at the question I have answered on several occasions in this Council. Question No. 13 relates to a so-called meeting on 19 July 1989 in Melbourne that I had with Mr Faris QC and Mr Leckie, in which he refers to the Operation Ark investigation. I have answered that question.

Obviously, he is apparently suggesting that he does not believe me in relation to that matter. I have answered it. It was not a meeting, anyhow; it was a dinner engagement, a get to know you informal occasion. At the time this issue was raised I checked whether the Operation Ark matter was raised at that dinner. It was raised and I was made aware that the Operation Ark matter was being reviewed. I have said that: I was aware that the Operation Ark matter was being reviewed from the 19 July 1989 dinner meeting. I am not sure where that takes us.

Further, I can say that I was not shown a copy of the report or documents until such time as they were provided to me officially later in December 1989, and then again in

the Stewart document in January 1990. So, that question has been answered.

As I have said, there are a large number of other questions which basically revolve around Operation Ark and I do not really see that they take the matter much further than what is already on the public record. I have said before that, whatever the ins and outs of all this business in the NCA, the only question so far as the South Australian position is concerned is: did the South Australian Government intervene to suppress the Stewart document or to suggest that the Stewart document should be altered? The answer to that, as I have given it in this Council, is 'No, the South Australian Government did not.' That has been confirmed by evidence before the joint parliamentary committee and by other statements within the NCA.

The critical issue so far as the South Australian Government and Parliament is concerned is: did the South Australian Government have a role in stopping the Stewart documents? It did not. As to the ins and outs of what happened within the NCA, enough of that has already come out in any event to show that there was a dispute within the NCA, which is acknowledged, and an unfortunate dispute, I think anyone would have to say, but a dispute which I do not see it is in anyone's interest to pursue. I do not see what can come of it. What are members trying to do? Find out more information. Mr Faris has gone; Mr Dempsey is on sick leave and unlikely to return; Justice Stewart is gone; and Mr Le Grand is gone. There is a new Chairman, and I assume that next year there will be a new South Australian member.

Apart from the South Australian Government's position, which I have put, questions relate to the ins and outs of what happened in the NCA itself. The responsibility for that rests with the joint parliamentary committee. It has examined that and produced a report with a qualifying statement, which has been tabled in the Parliament. I see little point in pursuing that aspect of the matter. However, there are legitimate questions relating to the progress of the NCA investigations in South Australia, and I will certainly undertake to consider the questions that relate to the progress of those matters in a summary statement that I would anticipate we would give again next year, following another 12 months of activities in South Australia. The motion is in my view misconceived. Furthermore, I say not only 'misconceived' in some respects but dangerous in others, particularly insofar as it wants retrospectively to overturn secrecy provisions.

The Hon. I. GILFILLAN: I support the motion. The Attorney makes a lot of allegations of motives and procedures that the Opposition and the Democrats are pursuing in this matter: they are gratuitous remarks, and I have no particular appetite to debate them.

The Hon. C.J. Sumner: They are true, though.

The Hon. I. GILFILLAN: The day that any politician seeks to avoid publicity surrounding their activities, I will deign to carry on the discussion with the Attorney. If all he can do is to attempt to denigrate members in this place, he has little else to do with his time.

The motion is possibly not the optimum approach to get answers to questions which have been properly raised in this place and which are of concern not only to members of this place but elsewhere. The Attorney expressed some concern about the retrospectivity, for a start. Sure, the retrospectivity aspect of the motion is a concern and it would be to any member of Parliament to take this step. But I support it, after serious thought, and the only way we can get answers to questions being for those able to answer them to be granted at least a modified form of exemption to the secrecy clauses. I underline that, certainly from my point of view and I understand that of the Hon. Mr Griffin, the exemption from the secrecy clauses would apply to the administrative decisions, not to details of the hands-on investigation. As far as I understand the questions, none refers specifically to that area of the work of the NCA.

The Hon. C.J. Sumner: It establishes a precedent of being able to override secrecy provisions. It is an astonishing and totally irresponsible approach.

The Hon. I. GILFILLAN: It obviously concerns and disturbs the Attorney. If the matters were of so little moment, it surprises me that the Attorney so vigorously and hysterically opposes a proposal that has come up as a last resort through failure to get information and even reasonable answers to questions that have been asked. The Attorney is aware that three separate items of private members' business are aimed very much at the same target, that is, to get the light of truth turned on this matter.

There was in the media—and I have not had this thoroughly investigated—an inference that Mr LeGrand had been granted some degree of exemption by the Federal and State Attorneys-General. That matter was the subject of a question earlier, but certainly the question of exemption for members of the authority has been raised before this motion was before this place.

The Attorney rather glibly assured us that he would give a report and that he would give the information and the answers. That may well be an attractive and satisfactory answer to the Attorney, but with due respect his answers and information have not been satisfactory. Nor has it been adequate in answering the questions and providing information. I do not believe that we should rely on the whim of the Attorney as to what material comes forward in answers to these specific questions and other matters that are of concern to members in the Democrats and the Opposition.

As to referring to the meeting that was the subject of questions as being 'just a dinner engagement', whether the Attorney ate at the same time or not he was the receiver of a significant piece of information. Whether those people were eating food or not is relatively insignificant. The fact was that people met and there was an exchange of information of some significance.

The Hon. C.J. Sumner: Next time I go out to dinner with you, I'll regard everything as being on the record.

The Hon. I. GILFILLAN: I have given the Attorney an invitation to lunch for the past 12 months, or however long it is since the last election, but he has not taken that up yet.

The Hon. C.J. Sumner: I'd be afraid that everything that I said to you would be on the record.

The ACTING PRESIDENT: I ask members to keep their dinner arrangements private and to direct their remarks through the Chair.

The Hon. I. GILFILLAN: The Attorney made much play of the argument that the only issue was the South Australian Government's involvement in what happened to the Stewart report. I disclaim that. That is a factor. The major question to which I have been seeking answers—

The Hon. C.J. Sumner: The honourable member does not believe us, when we say—

The Hon. I. GILFILLAN: It is not a question of believing the Government. There are several other factors. Not only the South Australian Government is involved in this. We are responsibly interested and concerned about the structure of decision-making within the authority itself. If the South Australian Government was totally innocent and completely oblivious to what was happening to a report that was being

sent to it by the authority and that report was stopped, it should be a matter of concern not only to the Opposition and the Democrats but also to the Government. It is a major question, not a trivial issue.

That prompts us to show sympathy for this motion. The Council would realise that I have already on the Notice Paper and have spoken to a motion for a royal commission to deal with these questions because that would be the most effective way of handling the matter and getting it behind us. The Hon. Mr Griffin has a further motion with a view to inviting principal people to the bar of this Chamber.

In conclusion, by supporting this motion I do not infer that South Australia is rife with corruption. In fact, it would give me much satisfaction to be reassured that South Australia is not a corruption and organised crime State. There are evidences of certain activities about which even the Attorney must feel some disquiet. However, that is immaterial to this motion, which is to get information that I as a member of Parliament in this place believe that we should have in relation to questions regarding the operation of the NCA in South Australia.

The Hon. K.T. GRIFFIN: The Hon. Mr Gilfillan has adequately addressed most of the issues that have been raised in the course of the debate. The office of the National Crime Authority was established in South Australia to do a job. The South Australian taxpayer was contributing to the work of that office. As I said when I moved this motion, something like $11.5 million would have been spent by the South Australian taxpayer on this operation from its date of establishment here to the end of the current financial year. In that context we are entitled to raise questions about the way in which the NCA is undertaking its responsibility.

I agree with the Attorney-General that Mr Justice Phillips ought to be given a chance to get on with the job and straighten up the affairs of the National Crime Authority, but that does not mean that we should not look to what has happened in the past, in the interregnum, between Mr Justice Stewart and Mr Justice Phillips. As the Attorney-General indicated, as I have indicated, and as the Hon. Mr Gilfillan has indicated, there was quite obviously a problem within the NCA from the time when Mr Justice Stewart retired until the appointment of Mr Justice Phillips as chairman of the NCA.

Although we want to see Mr Justice Phillips get on with the job and establish priorities and put right what has been wrong, nevertheless, that task will be compromised whilst there are doubts about the way in which the NCA has exercised its powers and responsibilities in the past. It is that which is of concern. Many of the questions which are listed in my motion are questions which can only be answered by the NCA or by former members of the NCA.

I am not saying that the Attorney-General should answer them, but what I am endeavouring to do is to give weight to the questions which I would like to have forwarded to the Federal Attorney-General and to the NCA for answering, and they all relate to matters, as the Hon. Mr Gilfillan said, of administration or internal activities unrelated to the detail of their investigations, their operational activities.

I think it is perfectly proper for a House of Parliament, in the context to which I have referred, to raise issues which go to the heart of the activity of the National Crime Authority in this State. If the National Crime Authority or the Federal Attorney-General, for some reason or another cannot answer this, then I think some steps have to be taken to ensure that there are answers given. The Attorney-General says, 'We will leave it all to the joint parliamentary committee', and he said, 'The joint parliamentary committee has investigated this issue.'

Let me say that that is not so. It has partially investigated this matter, and what happened was that the Federal Attorney-General gave a view to the committee that it ought not to continue the investigation into the problems over the Operation Ark report, and the majority ALP membership of the joint parliamentary committee declined to proceed further without giving former members of the NCA an adequate, or any, opportunity to present a point of view about evidence which had already been taken by the joint parliamentary committee.

The Hon. T.G. Roberts: What about the privilege abuse?

The Hon. K.T. GRIFFIN: What privilege abuse? The National Crime Authority does have to be accountable. I recognise that there are sensitivities about its operational matters and that it is appropriate that that information only be released when it is part of court proceedings which have been initiated and when that information is presented in court. But in terms of its administration, in terms of its internal structuring, its internal activities, other than related to operational matters, I think there is a need for there to be openness so that there can be adequate public scrutiny of the way the National Crime Authority actually operates.

It is for those reasons that I believe that the Council passing these motions will give some further substance to them and stress, I would hope, to the NCA and to the Federal Attorney-General that they cannot just be brushed under the carpet, they cannot be put to one side, they cannot be postponed on the basis that Mr Justice Phillips should now be allowed to get on with his job. I certainly support the way he is going, but the past cannot be swept under the carpet.

Motion carried.

NATIONAL CRIME AUTHORITY

Adjourned debate on the motion of Hon. K.T. Griffin:

1. That the Legislative Council invite Mr Justice Stewart, Mr P.M. Le Grand, Mr L.P. Robbards, QC., Mr P. Faris, QC and Mr P.H. Clark to appear before the Bar of the Legislative Council to provide to the Legislative Council information as to the status of the report on Operation Ark prepared by Mr Justice Stewart for which a letter of transmittal was signed by him on 30 June 1989 and to answer such questions as may be relevant to the preparation of that report and subsequently to 30 June 1989, the refusal or failure by the National Crime Authority to officially transmit that report to the South Australian Government until 30 January 1990.

2. That Mr Justice Stewart, Mr Le Grand, Mr Robbards, QC, Mr Faris, QC and Mr Clark be offered reasonable travel and accommodation expenses to attend before the Legislative Council, such expenses to be approved by the President.

3. That Mr Justice Stewart, Mr Le Grand, Mr Robbards, QC, Mr Faris, QC and Mr Clark be invited to respond to this invitation by 10 November 1990 and that, if they be willing to accept the invitation, the Clerk in consultation with the President, fix a date and time for their attendance separately or together at the Bar of the Legislative Council.

which the Hon. R.I. Lucas had moved to amend, as follows:

After paragraph 1—Insert new paragraph 1*a* as follows:

1*a* That if any of the persons named in paragraph 1 hold the view that the National Crime Authority Act prevents them from accepting the invitation of the Legislative Council to appear or answer questions the President write to both the Federal and the South Australian Attorneys-General requesting indemnities for those persons from prosecution to put the issue beyond doubt and to remove any obstacle to public disclosure of information in the public interest.

Paragraph 3—Leave out '10 November 1990' and insert '12 February 1991'.

(Continued from 5 December. Page 2323).

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

That Council resolve itself into a Committee of the whole for the further consideration of this motion.

In support of that motion I merely wish to point out that after I spoke on this matter an amendment was moved by the Hon. Mr Lucas which raises some quite technical issues, legal issues, about the extent of the indemnity given by the Federal and State Attorneys-General to Mr Le Grand. I think it would be in the interests of a sensible debate on this matter for the motion to be considered in Committee initially and then, obviously, for it to be dealt with finally by a resolution or otherwise of the Council. So, my motion is to resolve ourselves into a Committee of the whole so that we can consider the wording of the motion in a little more detail and also address this somewhat complex question of the extent of the indemnity.

The PRESIDENT: Is that seconded?

The Hon. K.T. GRIFFIN: I am prepared to second it. The Attorney-General did speak to me about a way by which this could be handled and I indicated that, although I would not like to see this adopted as a precedent for the consideration of motions in the future, nevertheless it is a procedure which is available to the Council when it wishes to approve that procedure.

I acknowledge that, whilst the Attorney-General has already spoken on this substantive motion, there are issues which arise as a result of the amendment moved by my colleague the Hon. Mr Lucas, which could well be considered by both the Attorney-General and me when speaking on the issue and the Hon. Mr Gilfillan. The amendment was moved by my colleague the Hon. Mr Lucas, only because I had moved the motion and spoken. So, it was difficult, and I think that, provided this is not regarded as a precedent for future motions, I am at ease with the—

The Hon. C.J. Sumner: There is nothing wrong with it.

The Hon. K.T. GRIFFIN: I said that right from the beginning. I said it was quite proper. I am just saying that I hope this is not used as a precedent for resolving into Committee on many more motions than we have had so far.

Motion carried.

In Committee.

The Hon. C.J. SUMNER: I wish to address the proposal by the Hon. Mr Lucas to add a new paragraph to the motion. I have dealt with the substance of the motion, that is, the notion of getting all these people—Mr Justice Stewart, Mr Le Grand, Mr Robberds, Mr Faris and Mr Clark—to appear before the Bar of the Legislative Council. Obviously, my views on that—quite strong views, I might add—still stand. The Hon. Mr Lucas has suggested an amendment to the motion by suggesting that an indemnity can be given to those people to overcome some of the problems that I outlined when I opposed the motion. However, the Hon. Mr Lucas's suggestion is totally misconceived. The amendment says:

That if any of the persons named in Paragraph I hold the view that the National Crime Authority Act prevents them from accepting the invitation of the Legislative Council to appear or answer questions the President write to both the Federal and the South Australian Attorney-General requesting indemnities for those persons from prosecution to put the issue beyond doubt and to remove any obstacle to public disclosure of information in the public interest.

I just think that that is totally and utterly inappropriate and misconceives the extent to which an indemnity was given to Mr Le Grand for the purposes of his appearance before the Joint Parliamentary Committee on the National Crime Authority.

Presumably, it is the fact that an indemnity was given to Mr Le Grand that has given rise to the Hon. Mr Lucas's motion. However, I think it is important, therefore, to explore just what the indemnity was that was given to Mr Le Grand. I have tabled the indemnity in the Council. Perhaps first I should read the letter from Mr E.J. Lindsay, Chairman of the Joint Committee on the National Crime Authority, dated 4 September 1990. It is addressed to the Acting Attorney-General (Hon. G.J. Crafter) and states:

Dear Mr Crafter,

I write in connection with the appearance before this committee of Mr P.M. Le Grand.

Mr Le Grand has been summonsed by this committee to appear before it at the Legislative Council Committee Room, Parliament House, Melbourne, at 11 a.m. on Thursday 6 September 1990, to give evidence in relation to matters raised by him in a letter he wrote to the Committee Chairman, dated 13 August 1990. He has been ordered to produce all documents in his possession, custody or control relevant to those matters, and has been ordered to continue in attendance as directed by the committee or its Chairman until his attendance is no longer required.

Mr Le Grand is a former member for South Australia of the National Crime Authority, and the matter upon which the committee wishes to question him arises from events which took place while he was a member of the authority.

He has indicated that compliance with the committee's summons may place him in the position of being in breach of a directive to him from the former Chairman of the authority issued pursuant to section 46A of the National Crime Authority Act 1984, dated 6 December 1989, which was confirmed by a resolution of the authority dated 12 December 1989. The directive prohibited Mr Le Grand from divulging or communicating to any person outside the authority any information acquired by him by reason of or in the course of the performance of his duties under the National Crime Authority Act unless specifically authorised to do so by the authority.

Mr Le Grand has told the committee that his compliance with the summons and requirements of this committee has the potential, under the circumstances, to incriminate him under the provisions of section 31 of the National Crime Authority (State Provisions) Act 1984 (the South Australian Act).

In view of Mr Le Grand's concerns, I am therefore writing to request that you issue an indemnification against prosecution to facilitate his appearance before, and cooperation with this committee.

I request that Mr Le Grand be indemnified from prosecution for any disclosure he may make to the committee relating to the directive to him by the authority not to provide information to the committee.

A request in similar terms has been made to Mr M.S. Weinberg, QC, Director of Public Prosecutions.

I look forward to your early response to this request.

It was in response to that letter and also a letter from Mr Le Grand's solicitors that the letter of indemnity from the Acting Attorney-General, Mr Crafter, in relation to Mr Le Grand was given. I think, for the sake of completeness, I should read in the terms of that indemnity which, as I said, has already been tabled in the Council. It is a letter from the Acting Attorney-General, Mr G.J. Crafter, dated 4 September, to Messrs Hardham, Dalton and Sundberg, barristers and solicitors of Melbourne, and it states:

re: Indemnification of P.M. Le Grand

I refer to your letter dated 3 September 1990, and acknowledge the request made therein for the indemnification of Mr Le Grand in order to facilitate his appearance before, and the provision of oral and documentary evidence to, the Joint Parliamentary Committee of the National Crime Authority. I note that Mr Le Grand has been summoned to appear before the Joint Parliamentary Committee on Thursday 5 September 1990.

In acceding to that request, I should make it clear that the indemnity granted in the terms following is limited to answers and information properly required of Mr Le Grand by the committee in discharge of functions under section 55 of the National Crime Authority Act, or properly supplied to the committee by Mr Le Grand pursuant to section 51 of the National Crime Authority Act.

Of course, that is the very important paragraph—I emphasise that. Members who are interested in the terms of the indemnity will see from reading it that it is a very limited indemnity. The letter continues:

Subject to that, I hereby undertake that, in respect of Mr Le Grand's appearance in any proceedings before the Joint Parliamentary Committee on the National Crime Authority, any answer given or document or thing produced or any information document or thing obtained as a direct or indirect consequence of the answer or the production of the first mentioned document or thing will not be used in evidence in any proceedings against Pierre Mark Le Grand, currently the Director of the Official Misconduct Division of the Criminal Justice Commission in Queensland, for any offence against the (S.A.) National Crime Authority (State Provisions) Act 1984 or against any other law of the State of South Australia.

Yours faithfully (signed)

G. Crafter

Acting Attorney-General

The situation is, then, that there was a request for an indemnity from Mr Le Grand's solicitors and also from Mr Lindsay, the Chairman of the Joint Parliamentary Committee on the National Crime Authority. It derives from the circumstances of the former Chairman of the authority apparently—and this is perhaps still a matter of some conjecture and inquiry—prohibiting any communication by Mr Le Grand with the Joint Parliamentary Committee without prior approval of the authority. I point out that this matter is referred to in the report from the Parliamentary Joint Committee on the National Crime Authority in relation to Operation Ark, in particular in the qualifying report.

The direction covered all or any discussions or the making of any documents and was without qualification as to subject matter or time and without regard to the powers and privileges of the Joint Parliamentary Committee to conduct proceedings and carry out its duties pursuant to the Commonwealth Act (that is, sections 53, 54 and 55).

In the event, the committee summoned Mr Le Grand to appear before it on 6 September 1990 and to produce all documents in his possession relevant to the matters the committee was considering. The letter I have read from Mr Lindsay and the letter from Messrs Hardham, Dalton and Sundberg—Mr Le Grand's solicitors—pointed out that Mr Le Grand was placed in a position that he could not comply both with the direction and resolution of the authority, and the summons and requirements of the committee without breaching one or the other. Further, by reason of the authority's resolution—that is, the resolution that the authority apparently made to bind Mr Le Grand not to disclose information—his compliance with the summons had the potential to incriminate him under section 51 of the Commonwealth National Crime Authority Act and section 31 of the South Australian National Crime Authority (State Provisions) Act. This was the background to the request from both Mr Le Grand's solicitors and the Chairman of the joint parliamentary committee to the State Government to facilitate Mr Le Grand's appearance before the committee.

I now turn to the terms and effect of the indemnity. The terms of the indemnity are set out in paragraphs 2 and 3 of the Acting Attorney-General's letter of 4 September 1990 to Messrs Hardham, Dalton and Sundberg. Paragraph 2 of the letter contains two important qualifications: first, the indemnity is limited to answers and information properly required of Mr Le Grand by the committee in discharging its functions under section 55 of the Commonwealth Act.

This limitation means that the indemnity only extends to the situation where the committee is properly discharging its functions pursuant to section 55: the indemnity (for obvious constitutional reasons) cannot extend the powers of the committee to inquire into matters beyond its authority, nor could or does the indemnity purport to authorise the committee to '... investigate a matter relating to a relevant criminal activity ...' or to '... reconsider the findings of the authority in relation to a particular investigation', (section 55 (2)).

Secondly, the indemnification is subject to the qualification that the information must be properly supplied to the committee by Mr Le Grand. That limitation was designed to refer to the duties imposed on Mr Le Grand by section 51 (2) of the National Crime Authority Act. The secrecy provisions of the Act are expressed to apply except to a person who for the purposes of the Act, or otherwise in connection with the performance of his duties under the Act, divulges or communicates information, etc.

So, the purpose of the indemnity was to relieve Mr Le Grand of potential liability under section 31 of the State Act to the extent that he would otherwise be bound by the December resolution of the authority and to the extent that he might be exposed, by reason of that direction to liability. The indemnity is extended only to the extent that Mr Le Grand properly supplies information, that is, supplies information in accordance with the terms of the National Crime Authority Act and not beyond it; that is, he brings himself within the exemption of proper performance of his duties pursuant to section 51 (2) of the Act. The effect of the authority's resolution, that is, the resolution 49 which purported to direct Mr Le Grand not to disclose information, was otherwise to cast doubt on his duties under the Act, and to the committee. So, the indemnity does not purport to extend any wide or *carte blanche* immunity to Mr Le Grand.

The Hon. I. Gilfillan: Are you reading from a document?

The Hon. C.J. SUMNER: No, these are my notes. The indemnity is limited to the situation where the committee is acting within power, and to where Mr Le Grand is acting for the purposes of the Act, or in connection with the performance of his duties under the Act.

I think that explains the extent of the indemnity that was given to Mr Le Grand. It was not an indemnity at large, it was not a *carte blanche* immunity or indemnity from prosecution, but it was related to the particular circumstances with which Mr Le Grand was faced, namely, a summons to appear before the joint parliamentary committee and answer questions, and an apparent direction from the authority that he was not to disclose any information in relation to Operation Ark to any other person.

It was that conflict that he was concerned about, and the indemnity merely said that the South Australian prosecution authorities and the Commonwealth prosecution authorities will not prosecute Mr Le Grand for any breach of the legislation arising out of that particular circumstance. However, the indemnity did not say that Mr Le Grand could go to the committee, and would not be prosecuted for revealing anything he wanted about the operations of the National Crime Authority.

Of course, to give such an indemnity would be quite improper and, indeed, as I said in the debate on the earlier motion that we have just considered, an indemnity to allow a member of the National Crime Authority to disclose at large any information that he obtained while a member of the authority would be grossly irresponsible. On that basis, an immunity or indemnity can be given only in relation to a particular circumstance. It was appropriate in these circumstances. To suggest that it is appropriate to given an indemnity at large, which is what the Hon. Mr Lucas is suggesting, would be quite wrong. That would mean that any of these people to whom immunity was given could come along to this Council and say anything they liked about what happened in the National Crime Authority including, presumably, disclosing information about investigations.

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: Just a minute! If you give them that indemnity, any member of this Council could get up here and ask the people who appeared before the Council—and I cannot say what questions might be asked—anything. Presumably, they could ask them about any of their inquiries, not just Operation Ark, but any of the 56 names, or the Masters allegations. It would be a total disaster and, as I said, grossly irresponsible. The notion that you can give people *carte blanche*, at large indemnities to get around the secrecy provisions of the National Crime Authority Act is, to say the least, one of the most dangerous things that I have heard of. It may well be that you can give the limited indemnities, as we did with Mr Le Grand because he was in a particular conflict situation. However, the notion that the prosecution authorities can avoid the effect of the secrecy provisions of the Act by giving indemnity at large is, as I said indeed dangerous. The mind boggles even to think about the consequences of that.

In relation to what I said before (and I do not say it lightly; I do not say it in a political context), it is most dangerous for members of Parliament, the Legislature, in effect, to say that an authority which is a National Crime Authority investigating very sensitive matters and which has imposed on it by legislation secrecy provisions, can have those secrecy provisions lifted, whether it be by retrospective legislation or by indemnities given by prosecution authorities.

In terms of the civil liberties of individuals who have appeared before the authority, it is just horrendous. There is no other word for it: quite horrendous! The fact that it has even been suggested does no credit to those who have suggested it, quite frankly.

The Hon. I. Gilfillan: It has been inappropriately worded. There is no way that it was drafted to give that *carte blanche* that you are arguing about.

The Hon. C.J. SUMNER: I am sorry, but that is what it does.

Members interjecting:

The CHAIRMAN: Order!

The Hon. C.J. SUMNER: Just a minute! Read it. There are no qualifications on it. In any event, even if it does not go to inquiring about particular investigations, I still think that the principle of not giving indemnities to enable secrecy provisions to be avoided is valid. Indemnities should not be given to enable that to occur. The indemnity given to Mr Le Grand, which is where I think this problem has arisen, was a particular indemnity for his particular conflict of problem that arose, and it is simply not applicable to all the other people who have been mentioned as being subject to being called before the Council. What I said in the substance of the motion—the notion that these people could be brought before the House will put them in conflict with the National Crime Authority Act and its secrecy provisions or possibly with parliamentary privilege of this Council—is still valid, and an indemnity will not resolve the matter, even if it were appropriate, and in my view it is clearly inappropriate.

The Hon. K.T. GRIFFIN: The Attorney-General has misrepresented the amendment, because he has taken it out of context. It has to be read, if it is carried, as part of the motion. Paragraph 1 states:

That the Legislative Council invite Mr Justice Stewart, Mr P.M. Le Grand, Mr L.P. Robberds, QC, Mr P. Faris, QC and Mr P.H. Clark to appear before the Bar of the Legislative Council to provide to the Legislative Council information as to the status of the report on Operation Ark prepared by Mr Justice Stewart for which a letter of transmittal was signed by him on 30 June 1989 and to answer such questions as may be relevant to the preparation of that report and, subsequently to 30 June 1989, the refusal or failure by the National Crime Authority to officially transmit that report to the South Australian Government until 30 January 1990.

There is nothing in that which talks about questions relating to operational matters or the investigations. Looking at paragraph 1a, the amendment that the Hon. Mr Lucas seeks to insert, one must read it in the context of the motion. That paragraph reads:

That if any of the persons named in paragraph 1 hold the view that the National Crime Authority Act prevents them from accepting the invitation of the Legislative Council to appear—

that is the first leg of it, and I do not see how the secrecy provisions can prevent that—

or answer questions—

that must be taken in the context of paragraph 1 of the motion—

the President write to both the Federal and the South Australian Attorneys-General requesting indemnities for those persons from prosecution to put the issue beyond doubt—

and what issue is that—it is the issue which is in paragraph 1 of the motion—

and to remove any obstacle to public disclosure of information in the public interest.

Again, that has to be—

The Hon. C.J. Sumner: That is not to put the substantive issue; that is to put the issue whether they can provide information beyond doubt.

The Hon. K.T. GRIFFIN: It is not.

The Hon. C.J. Sumner: Yes, it is.

The Hon. K.T. GRIFFIN: It is not. It has to be read in the context of the motion!

The Hon. C.J. Sumner: You are trying to wheedle out of it.

The Hon. K.T. GRIFFIN: I am not trying to wheedle out of it. The Attorney-General has just misrepresented the position. He will have his own view. I suppose that what it indicates, if we take the politics away, is that two lawyers disagree on the way in which it has been interpreted, and that is not unusual. I am saying that what is intended by this is to focus, as we focused in the previous motion which was carried by the Council, on the issue of the conflict within the NCA, the Stewart report and the Faris report; it is not about disclosing names of witnesses, operational or investigational matters. It seems to me that in that context the amendment is perfectly competent and reasonable.

It is not for this Council to determine, if at any stage there is to be an indemnity, what the form of it will be. As the Attorney-General has indicated in relation to Mr Le Grand, the Acting Attorney-General made a decision about the form of the indemnity which would be granted, and I would expect the same to occur here. I do not see it as offensive or as overriding the secrecy provisions which would protect witnesses or as relating to documents other than the Stewart report as such and why there was the conflict over the Stewart report. I think in that context it is perfectly reasonable.

During the course of this speech on the substantive motion, the Attorney-General made an allegation that this was a stunt. It is not a stunt.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: The Attorney-General can make his own allegation about it. I am saying that it is not a stunt. It arises out of a frustration by the Opposition to get information as to why all the conflict within the NCA occurred in relation to Operation Ark. That is a matter of importance to the community of South Australia. Out of that frustration came the view that maybe the Legislative Council could offer an invitation. The Attorney-General again misrepresented that in his speech on the substantive

motion by saying that there is not much difference between an invitation and a command. All that I say in response to that is that, if one reads what I had to say when I moved the motion, there can be no doubt at all that it was an invitation.

It does not matter whether they are interstate or within South Australia or whether they are interstate and come into South Australia: there is no compulsion in the resolution which is being proposed. It is an invitation. If they decline to take up the invitation, it may be that this motion will bring some pressure to bear at the Federal level to ensure that the investigation by the joint parliamentary committee is reopened so that the matter can be canvassed properly in some forum or another, and some public disclosure can be made as to how all this confusion and conflict arose.

From the Opposition's point of view and, I suspect, from the point of view of the Hon. Mr Gilfillan, all we want is some openness and some facts. We want to know what happened so that that can genuinely be put behind and Mr Justice Phillips can get on with his job. If this motion does no more than add weight to any proposition for the Federal joint parliamentary committee more conscientiously to review this matter, as it is required to do according to the principal task assigned to it under the Federal Act, I think that we will have achieved something. It is not a stunt; it is a genuine attempt to put on some pressure to get some answers. For that reason, I am very much in favour of the amendment of the Hon. Mr Lucas, because it qualifies the motion, but it must be read in the context of the whole motion.

The Hon. I. GILFILLAN: This is not my most preferred procedure. I repeat that I have a motion which has been adjourned until next year to establish a royal commission to look specifically at a similar question to the one which has been raised in this matter and in the previous one that we discussed. I believe that a royal commission is a better forum in which the right questions can be asked and answered with the discretion that a Royal Commission can bring to the matter. Therefore, I want to make it plain that this motion is not my most preferred procedure.

I feel that, having previously seen the results of the joint parliamentary committee's findings, in which there has been a division, some information has come forward as an official report and some has been held back and has been released in a less than ideal way. However, the information that came through from the questioning of Mr Le Grand is still interesting and important.

I listened with respect to the Attorney-General's assessment of the amendment and would view sympathetically any amendment to the amendment which may make it more satisfactory in achieving the aim which is expressed in paragraph 1 of the motion. Although some may have an appetite to have the members of the authority answering a whole range of questions publicly—

The Hon. C.J. Sumner: You did. You voted for an amendment to make it in relation to any matter.

The Hon. I. GILFILLAN: What amendment are you talking about?

The Hon. C.J. Sumner: You did not get a seconder.

The Hon. I. GILFILLAN: I do not know what you are referring to.

The Hon. C.J. Sumner: When this matter was being debated before you moved an amendment to extend the terms of reference beyond Operation Ark to any matter that you wanted it to investigate.

The Hon. I. GILFILLAN: If the Attorney-General is interested in what matters I am interested in having raised—

The Hon. C.J. Sumner: It was not on the paper because you didn't have a seconder.

The Hon. I. GILFILLAN: The terms of reference of the Royal Commission are spelt out on the Notice Paper, and I stand by those as being the series of matters that I believe should be investigated. I think the Attorney-General is quibbling, because the matters on which I have concentrated my questions in relation to this and other motions have related to the circumstances surrounding the Stewart report and the involvement of the people who were attached to that. I believe that the ruckus in the State office of the NCA was related to that and I believe that that may well be the subject of questions and information relating to this motion, certainly to the terms of reference in my select committee Royal Commission.

I feel that the amendment which was criticised by the Attorney-General is confined to the matters that would have been raised in the first paragraph of the motion, and it is therefore circumscribed or prescribed (whichever is the correct term), and I am quite open to hearing alternative wording for the amendment which confines the indemnity to the matters raised in the first point.

The Hon. K.T. GRIFFIN: This may clarify it. I would be happy to move to amend the amendment so that, in the third line as it appears on the Notice Paper, after the word 'questions', to insert the words 'as identified in paragraph I.' Therefore, I move:

After the word 'questions', to insert the words 'as identified in paragraph I.'

The Hon. C.J. SUMNER: Obviously that is still not acceptable. Even if the Hon. Mr Griffin is right in saying that the indemnity does not apply at large to the people to answer any questions they wish to ask about the operations of the National Crime Authority Act, the point I am making is still valid: you should not give indemnities to enable the secrecy provisions of an Act to be thwarted in this manner. It is quite wrong.

The Hon. I. Gilfillan: It has already been done.

The Hon. C.J. SUMNER: I spent some 10 or 15 minutes explaining to the Hon. Mr Gilfillan the extent of that indemnity.

The Hon. I. Gilfillan interjecting:

The Hon. C.J. SUMNER: It was not a *carte blanche* at large indemnity to Mr Le Grand. It was related to his particular circumstances of having a summons from the committee and, apparently, a direction from the authority not to disclose information. It was to overcome that problem that the indemnity was given. What you are suggesting here, however, is an indemnity to circumvent the secrecy provisions of the legislation. As Attorney-General, I am not going to be in that, because it is quite a dangerous practice. Even if what I said about an indemnity which would enable discussion of operational details is not applicable in this case even if the Hon. Mr Griffin is correct in saying that his indemnity proposition is limited—it is the principle of the matter that is of fundamental importance.

The Hon. I. Gilfillan: What about the royal commission?

The Hon. C.J. SUMNER: The Hon. Mr Gilfillan interjects, 'What about a royal commission'. I spoke to the question of the royal commission—

The Hon. I. Gilfillan: I am not asking you that. I am saying about the indemnity qualifications and the difference for indemnity in a royal commission—

The Hon. C.J. SUMNER: I have already addressed that. Obviously you did not read my speech in response to your motion to establish a royal commission. It is my view that Federal legislation would be necessary to overcome and override the secrecy provisions of the National Crime

Authority Act in order to enable a royal commission to operate effectively. I have said that, and I do not think an indemnity is an appropriate circumstance.

Effectively, the Federal Attorney-General and the State Attorney-General are being asked to use an indemnity system or an immunity system to circumvent the clear terms of the legislation. That is an extraordinary proposition. Even if the Hon. Mr Griffin says it is only limited to these matters, it is still extraordinary for the precedent which it could establish.

The Hon. I. Gilfillan: The circumstances are extraordinary.

The Hon. C.J. SUMNER: Well, I do not consider the circumstances to be extraordinary. A committee has been looking at the matter a committee which was properly set up to do that. If you are not happy with the way it has done its job, take it up with the Joint Parliamentary Committee. They are the ones with the oversight responsibility. Take it up with them.

The Hon. R.I. Lucas: Do you accept that they are an appropriate body to do it?

The Hon. C.J. SUMNER: Yes, they are the appropriate body to look at the matter and they have looked at it. It is no skin off my nose if they want to look at it again, and you can tell your mates that that is my view, if it makes you any happier. I suspect that they are in constant contact with the Hon Mr Griffin anyway and that they are telling him what is going on in the committee.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: You've had no conversations with Hill?

The Hon. K.T. Griffin: No conversations.

The Hon. C.J. SUMNER: No conversations with Hill or McGorran or all these people?

An honourable member: That is outrageous.

The Hon. C.J. SUMNER: What's outrageous about it?

Members interjecting:

The Hon. K.T. Griffin: I have received no documents or papers from them.

The Hon. C.J. SUMNER: I would hope that you haven't.

The Hon. K.T. Griffin: Of course I'd hope so, too.

The Hon. C.J. SUMNER: I would hope you haven't. Had any discussions with Senator Hill or the others?

The Hon. K.T. Griffin: No, I haven't.

The Hon. C.J. SUMNER: All right.

The Hon. K.T. Griffin: Have you had your conversations with your people on the committee?

The Hon. C.J. SUMNER: No, no.

The Hon. K.T. Griffin: Had any discussions with the Federal Attorney-General about it?

The Hon. C.J. SUMNER: Anyhow, the point I am making is that it would be quite inappropriate for an indemnity to be given in these circumstances, to circumvent an Act, and all I can say is that, even though the attempt has been made to narrow the indemnity, the principle still applies. As I said, it is quite inappropriate and, I suspect, quite irresponsible.

The Hon. Mr Griffin's amendment to proposed paragraph 1a carried; new paragraph 1a as amended inserted; the Hon. Mr Lucas's amendment to paragraph 3 carried; motion as amended carried.

The PRESIDENT: I have to report that the committee has considered the motion referred to it, and has agreed to the same with amendments.

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

That the report be adopted.

The PRESIDENT: All those in favour say 'Aye'; against 'No'. The Ayes have it.

The Hon. C.J. Sumner: Don't you have to put the motion?

The PRESIDENT: That was it. The report is adopted. When you adopt the report you adopt the motion. It was a report back from the Committee: that has been adopted so I consider that as adopting the motion.

The Hon. C.J. Sumner: You put the motion as prepared by the Committee to the whole of the House. That is my understanding of the procedure.

The PRESIDENT: It is not like a Bill.

The Hon. C.J. Sumner: I assume that not very much turns on it, but my understanding of the procedure would be that the Committee would have amended the Bill in Committee. When it comes out of Committee you accept the report of the Committee and then there is the motion.

The PRESIDENT: It is not a Bill.

The Hon. C.J. SUMNER: A motion still has to be put to the Council. It is probably a technical matter, but the Council accepts the report and there is a motion that it be adopted. The Committee has amended the motion and it has gone through. It is an ideal procedure to deal with the issue in this case. An amended motion is then presented to the Council for ratification. It has been considered by the Committee. Amendments may have been made to it in Committee that may be unacceptable to some members in the Council. Therefore, the appropriate procedure is that the report be adopted and the motion then is put to the Council.

The Hon. I. Gilfillan: Put the motion as it came out of the Committee.

The Hon. C.J. SUMNER: Yes, and it still gives other members a chance—it is theoretical in this case—to vote against it if they did not participate in the Committee. I am not certain how it applies in Parliament, but my understanding is that that is how it works elsewhere.

The PRESIDENT: The interpretation that I put on it in view of the advice I have is that it is the same as any Committee. We go into Committee and it comes back with a report and amendments, or whatever is agreed to in Committee. The report is received and that is the finish of it. This is exactly the same procedure as we adopt in that situation.

The Hon. C.J. SUMNER: We go on with another step and move that it be read a third time.

The PRESIDENT: It is exactly the same as a conference recommendation where the House of Assembly has moved an amendment to one of our Bills, and we debate that and go back into Committee.

The Hon. C.J. SUMNER: No, we do not, Sir. This is a different situation. We resolve to form ourselves into a Committee of the whole to examine the motion, muck around with it, move amendments to it: there is to-ing and fro-ing on it. In my view, it is then for the House—

The Hon. Anne Levy: As a House.

The Hon. C.J. SUMNER: As a House—to complete the resolution. I am sure that that is right.

Members interjecting:

The Hon. C.J. SUMNER: I do not want to divide. In procedural terms, what I am saying is correct. I do not want to get into an argument about it.

The PRESIDENT: What does the honourable member want the Chair to rule and give an opinion on?

The Hon. C.J. SUMNER: My view—and maybe nothing turns on it—is that the Council resolves itself into Committee, does its Committee work on the motion. The motion comes out of the Committee. The Council accepts the report from the Committee as a whole: this work has been done on it. Then the motion is put to the whole Council for determination.

The PRESIDENT: The report from the Committee is the motion.

The Hon. I. GILFILLAN: The report from the Committee may include the passing of the original motion so that as the Council receives the report it receives the passing. I accept the way the honourable member has outlined it.

The Hon. Anne Levy: The report is that this is how the Committee has phrased the motion.

The PRESIDENT: Order! If I am asked to rule on it, I would rule that this has been the normal procedure followed by any committee that meets and considers any matter. If it is a recommendation from the other House and we have had a conference over it, amendments from the other House have been moved. We do not debate those amendments again. It is done in Committee. It comes up here. The report is adopted. If the report is not adopted, that is the time to throw it out.

The Hon. C.J. SUMNER: That is not right, if we go into Committee, we come back and have the third reading of the Bill. So there is another stage.

The PRESIDENT: I would have thought that you would vote against the report if you were not happy with the report.

The Hon. C.J. SUMNER: We may do that as well.

The PRESIDENT: Well, the Council can do that.

The Hon. C.J. SUMNER: My understanding of the procedure is that, on a motion before the Council, if it resolves itself into a Committee, it looks at the technicalities of the wording of the motion. Once you have done that, you report back to the Council as a whole in plenary session, if you like, and you put the motion, as you have amended it in Committee, to the whole Council. That is the procedure. Anyone who has been to a conference will know that once you resolve yourself into a Committee one can amend the motion, but it is still then up to the plenary—in this case the whole of the Legislative Council sitting as Council not a Committee—to approve the motion. I am sure that I am right. It does not matter much. If honourable members are happy with the way it is, *c'est la vie*. It is not my motion. In my view, it is not a resolution of the Council at this stage.

The PRESIDENT: The advice I have received, and what I am prepared to rule on, is that as far as I am concerned, I report that the Committee has considered the motion referred to it and has agreed to the same with amendments; it is moved that the report be adopted and that concludes the debate and the argument, and that is it.

The Hon. K.T. GRIFFIN: I must say that I did not think very much about procedure before. I was satisfied that, if the report was adopted, that was it. Where we consider recommendations of a deadlocked conference—a meeting of managers—we consider those matters in Committee. They are then reported, the report is adopted and a message goes to another place. That procedure is consistent with the procedure we have just followed. But I refer to Standing Order 370, as follows:

> When the consideration of all matters referred to a Committee has been concluded, the Chairman shall leave the Chair and report the resolutions of the Committee to the Council; and when the consideration of such matters has not been concluded, the Chairman shall be directed to report progress and ask leave to sit again.

If we then go to Standing Order 375, it provides:

> Every report from a Committee of the Whole shall be brought up and received by the Council, without question put.

Standing Order 376 provides:

> The resolutions so reported may then be agreed to or disagreed to; or agreed to with amendments; or recommitted; or the further consideration thereof may be postponed.

Notwithstanding what you have indicated, and because I want to see that it is a resolution of the Council, I agree with the Attorney-General and am of the view (on the run) that we ought now put the resolution, as amended, which has been reported.

The PRESIDENT: I am still prepared to give my ruling that, once I bring down the report, the Council has the right to vote on that report, either accept or reject it, and that is it, as far as I am concerned; it is finished.

The Hon. K.T. GRIFFIN: Can I suggest—

The PRESIDENT: You can't disagree with my report. From the advice I have and from the way I see it, we have traditionally followed that practice.

Members interjecting:

The Hon. I. GILFILLAN: In the light of information that the Council now has, can you reput the question so that the Council is cognisant of the fact—

The Hon. K.T. GRIFFIN: Can I move that the report be adopted and that the resolution as amended be passed?

Members interjecting:

The PRESIDENT: I am not prepared to bend it in that way. As far as I am concerned we have gone into Committee; we have considered it; and, if you were not happy with the report, you voted against it; if you were happy with it, you voted for the report. It is as simple as that.

If you disagree with the report, you are saying that the Committee is going to take place in the main body of the Chamber and you will argue all the points there. You have resolved yourselves into a Committee to resolve the issue—

Members interjecting:

The PRESIDENT: I am keeping it simple.

The Hon. K.T. GRIFFIN: As we have already adopted the report. Mr President, could I suggest that, rather than finalising the issue now, it might be a matter which you take on notice and, as we are sitting tomorrow, after contemplating the Standing Orders and other matters we could finally resolve the matter then. It is an important issue and we have a lot of business on the Notice Paper. It would be better to consider it overnight and deal with it finally, say, tomorrow.

The Hon. C.J. SUMNER: I have no objection to that. It is an important issue. The procedure we adopted was a very appropriate procedure in these circumstances.

The Hon. I. Gilfillan: We might need it again.

The Hon. C.J. SUMNER: We might need it again. It was an ideal procedure to adopt because it enabled us to get to the guts of the issue and debate it sensibly in Committee. As a result of the Committee's deliberations, the motion that was referred to the Committee was amended, but it still has to go back to the full Council for endorsement. I have not read the specific Standing Orders referred to by the Hon. Mr Griffin, but I was merely going on my knowledge of procedure, and that accords in my view with the Standing Orders. So, the appropriate procedure is that the report be adopted—the report is then adopted—and then the resolution is put to the Council for either confirmation by the whole Council or not.

The PRESIDENT: What happens if the report was not adopted? Would the Attorney consider the motion lost?

The Hon. C.J. SUMNER: No. As I understand Standing Order 376—

The PRESIDENT: So you consider that the motion is still alive if the report is not adopted? I am putting this, hypothetically; if the report had not been adopted, would the Attorney consider the motion finished? Do you say the motion would still be alive if the report was not adopted?

The Hon. C.J. SUMNER: Yes, I think technically it would be.

The PRESIDENT: I cannot accept that.

The Hon. C.J. SUMNER: In any event, Standing Order 375 provides:

> Every report from a Committee of the Whole shall be brought up and received by the Council, without question put.

It may be that, in any event, where we say, 'That the report be adopted', there is no choice—'be brought up and received'.

The PRESIDENT: The report does not have to be received. I would take it that if the report did not have to be received the motion would have been lost.

The Hon. C.J. SUMNER: In any event, that is not the relevant Standing Order. The relevant Standing Order is 376, which provides:

> The resolutions so reported may then be agreed to or disagreed to; or agreed to with amendments; or recommitted; or the further consideration—

The PRESIDENT: I have reported, and the report was agreed to with amendments.

The Hon. C.J. SUMNER: The report was adopted, you said.

The PRESIDENT: I am happy to take it on board if it resolves the issue for the moment.

The Hon. C.J. SUMNER: There are two distinct stages: that the report be adopted or received—whatever you want to say—and another motion which actually turns the motion into a resolution of the Council.

The Hon. T. CROTHERS: Mr President, I want you to look earnestly at Standing Order 376. It is quite clear to me that both the Attorney-General and the Hon. Mr Griffin are correct with respect to what they are putting. In view of the serious nature of this debate, I believe it is essential that, whatever we do, we get it right with the appropriate Standing Order. If we do not, we may well have to come back and do it again. It seems to me that Standing Order 376, in the way the report was dealt with from the Committee, is quite clear.

Under certain circumstances, it divides the issue that we are debating into two parts. One part is the reception of the report of the Committee—I understand that it was moved that the report be received. Mr President, you were quite right to say that it would have been moved if the report was received as amended. That would have allowed you to deal with the matter in a unilateral sense, and Standing Order 376 provides for that. However, if that is not the proposition being considered by this Council, there is only one road—and I put this in all sincerity—that this Council can take in respect of adhering to its own Standing Orders, and that is to deal with the matter in two parts, as has been suggested by both the Attorney-General and the shadow Attorney-General.

Because of the nature of the business that we are undertaking and because of the heavy commitments of the Council, I believe that earnest consideration ought to be given by you, Mr President, to Standing Order 376. If that is done, and if that is married to what this Council has considered by way of a report to the Committee, there is only one way we can proceed, and that is to deal with the matter as the Hon. Mr Sumner suggests.

The PRESIDENT: I will give a considered opinion on this matter tomorrow.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 5)

In Committee.

(Continued from 6 December. Page 2443.)

New clause 3—'Interpretation.'

The Hon. I. GILFILLAN: I thought it might be useful if I indicated a little background to my amendment. I am sorry if the Minister has not seen a copy. What I am attempting to do is to transfer the lengthy detail, which the Hon. Diana Laidlaw sought to put into the body of the Act, into a schedule. It is a simple housekeeping measure. Although there are lots of pages, it does no more than transfer the detail from the readable main text into a schedule, and that is why I have proposed a new clause 3, purely to facilitate that. I will probably ask for the recommittal of clause 3, which now does not exist.

The Hon. Diana Laidlaw interjecting:

The Hon. I. GILFILLAN: I am getting advice *sotto voce* from the shadow Minister of Transport that I do not have to seek recommittal because there is a vacuum, and I can move this new clause.

The CHAIRMAN: There is no clause 3; it was defeated previously. The honourable member can move to insert a new clause 3.

The Hon. I. GILFILLAN: I move:

> Page 1, after line 15—Insert new clause as follows:
> 3. Section 5 of the principal Act is amended by striking out from the definition of 'reduced registration fee' in subsection (1) 'under this Act that is' and substituting 'that is, by virtue of a provision of the first schedule,'.

The Hon. DIANA LAIDLAW: The Liberal Party is happy to accept this amendment. I argued most strenuously that, in relation to clauses 10 and 11, the Liberal Party was not prepared to accommodate the Government's wish to repeal a whole range of provisions in the principal Act which provide for registration at no fee or at a reduced fee. Therefore, the Liberal Party wants reinserted in the principal Act all the provisions relating to section 31 and sections 34 to 38b, and to bring into the Act the regulations that apply to reduced fee and no fee registration.

In my second reading speech, I indicated that those provisions made the Bill bulky, and I received advice that it might be better to do this in the form of a schedule. Time did not permit that course of action. However, I see that time has been on the Hon. Mr Gilfillan's side in this respect and that he has listed these amendments in schedule form. Therefore, I am prepared to accept his amendments, and I will not move my extensive range of amendments when the Committee deals with clauses 10 and 11. This amendment to clause 3 facilitates the schedule and relates to the same matters that I was seeking to address by my amendments later in the Bill.

The Hon. I. GILFILLAN: Unlike the Hon. Diana Laidlaw, I have not included an amendment relating to vintage cars.

The Hon. Diana Laidlaw: That is clause 4.

The CHAIRMAN: The Committee is dealing with clause 3 at this stage.

The Hon. ANNE LEVY: The Government opposes the Hon. Mr Gilfillan's amendment. We are dealing with proposed new clause 3, under the heading 'Interpretation'; we are not dealing with the content of the first schedule at the moment, which is a different matter. In terms of the principle, we certainly agree that the current hotchpotch needs rationalisation and that to have some things in the Act, some things in the schedule and some things in the regulations is a mad mess. However, clauses 9 and 10 of the Bill before us are an attempt to make sense of this current mess by putting things into the regulations. Accepting the Hon. Mr Gilfillan's proposed new clause 3 would be equivalent to negating clauses 9 and 10 of the Bill.

The Hon. Diana Laidlaw: Clauses 9, 10 and 11.

The Hon. ANNE LEVY: Yes, clauses 9, 10, and 11. It is certainly expedient to keep together all of the concessions

and provisions for reduced registration. However, our contention is that it is better for this to be done by regulation—that regulations are the easiest to amend if concessions are to be altered up or down, to be added or removed. It is much simpler to do that by regulation. This does not in any way affect Parliament's control, because, of course, all regulations have to go to the Joint Committee on Subordinate Legislation and motions for disallowance can be moved in Parliament and can be debated and disallowed if Parliament so wishes. This is not being suggested as a device for removing such matters from parliamentary control: they would still be very much under parliamentary control.

However, it is designed not only for simplification, to put the measures all together—and everyone would agree that it is sensible to put them together—but there is far greater flexibility and ease to make any changes by regulation, if changes are necessary. It is much easier to change regulations than it is to change an Act of Parliament; there is no doubt about that—it is simply the time involved. Whatever one may argue in theory, it is a fact that it is much easier to keep things up to date if they are in regulations than if they are in the Act. I agree that the Hon. Mr Gilfillan's approach is preferable to the current mess, but our preferred position is to have this in the regulations, which will be achieved by clauses 9, 10 and 11 of the Bill before the Committee. I do not disagree with the principle of collecting together all of these matters, which the Hon. Mr Gilfillan is trying to achieve, but I feel that what we propose is better than having it in a schedule.

[*Sitting suspended from 6.2 to 7.45 p.m.*]

The Hon. J.C. BURDETT: I support the amendment moved by the Hon. Mr Gilfillan and disagree with the position put by the honourable Minister. What the Hon. Mr Gilfillan wants to do is to put the matter into the Bill, the resulting Act and schedule, and the Minister says that this is messy and she wants certain of the matters to be in regulations.

The Hon. Anne Levy: I did not say it was messy to put it in the schedule: I said it was messy now.

The Hon. J.C. BURDETT: All right.

The Hon. Anne Levy: Don't misquote me, John.

The Hon. J.C. BURDETT: That doesn't matter.

The Hon. Anne Levy: It does to me, to be misquoted.

The Hon. J.C. BURDETT: I am sorry if I misquoted you. The honourable Minister certainly stated things that are not correct. She said that, if matters were in regulations, they were in the control of the Parliament, but they are not. She said, correctly, that matters in regulations can be disallowed by Parliament. Indeed, they can, but they cannot be amended. That is a very grave disability. I quote from Pearce on delegated legislation, from the section referring to South Australia:

> This case pointed up a difficulty in the disallowance procedure. Objection was taken to one aspect only of the whole scheme. However, the view was taken that it was not possible to disallow part only of a scheme (similarly, part only of a set of regulations cannot be disallowed). Accordingly, it would have been necessary to disallow the whole scheme to get rid of the objectionable portions. A motion to that effect was moved following on an adverse report from the committee [that is, the Subordinate Legislation Committee] but, before it was dealt with, the committee in a second report apparently recommended that there be no disallowance of the scheme. The motion to disallow was defeated in both the Legislative Assembly and the Legislative Council. In the Legislative Council the motion resulted in cross-party voting.

The Hon. Mr Gilfillan's amendment would leave that matter in the schedule that is part of the Act, which is in the control of Parliament. If it was considered again in Parliament, it would be completely within the power of Parliament to allow, disallow, amend or whatever, but regulations can only pass or be disallowed. There is no power whatever to amend. I think that that is a defect in the system of subordinate legislation—and I think that you, Mr Acting Chairman (Hon. G. Weatherill), will probably agree with me; I think we have to address this situation at some time—

The Hon. Diana Laidlaw: Are you making any progress?

The Hon. J.C. BURDETT: Not really at the moment. The problem is this: the situation described in Pearce is often used by Government departments. They know perfectly well that, according to Crown law opinion, which I do not agree with—but it is there and has been accepted for some time—you cannot disallow one objectionable regulation in a set of regulations. Quite often departments dress up a set of regulations most of which, as in the case I cited, are desirable and need to be passed, and have one objectionable one there so that you cannot defeat the objectionable one and you have to throw out the lot if you want to throw anything out.

For those reasons I agree with the Hon. Mr Gilfillan that we ought to leave the whole of the situation in the hands of the Parliament, in the Act and in the schedule, which is of course part of the Act. For those reasons I support the amendment moved by the Hon. Mr Gilfillan.

The Hon. I. GILFILLAN: I will make a couple of comments and brief observations. First, I appreciate the support of the Hon. John Burdett. I find it a great comfort from time to time to have support for measures introduced. I believe that his opinions are held in high regard by all members of this place. The decision to move the amendment for a schedule was not easy: I was in two minds about the detail being in regulation. If the Joint Committee on Subordinate Legislation were able to distinguish between parts of regulations then I would not have hesitated to have had it as the Government wanted, in regulations in this case.

I repeat what the Hon. John Burdett said very eloquently: because of the procedure, which is either all in or all out, I have decided that on balance it is better that these matters be available for Parliament to decide in detail and be specific about the concessions that may apply from time to time. Therefore, I have moved the amendment in this way.

New clause inserted.

Clause 4—'Permits to drive vehicle without registration.'

The Hon. DIANA LAIDLAW: I move:

Page 1, lines 29 to 35—Leave out paragraphs *(a)* and *(b)* and substitute:

(a) by inserting after subsection (1) the following subsections:

(1a) Subject to this section, the Registrar must—

(a) on application by the owner of a vintage motor vehicle (being a person who is a member of a car club approved by the Registrar);

and

(b) on payment of the prescribed fee and appropriate insurance premium,

issue to the owner of the vehicle a permit (referred to in this section as a 'club permit') authorising the vehicle to be driven on roads without registration.

(1b) The Registrar must not issue a club permit unless he or she is satisfied that the motor vehicle in respect of which application for the permit has been made will not, if driven on a road, put the safety of persons using the road at risk.

(1c) A club permit is subject to the following conditions:

(a) a condition limiting the use on a road of the motor vehicle to which the permit relates to—

(i) the use of the vehicle in connection with official activities organised by or under the auspices of an association approved by the

Registrar for the purposes of this section;

or

(ii) the use of the vehicle in connection with the preparation of the vehicle for such activities;

and

(b) any other condition that the Registrar thinks necessary to ensure that the safety of persons using a road on which the vehicle may be driven is not endangered.

(1d) For the purposes of subsection (1a)—

'vintage motor vehicle' means a motor vehicle manufactured more than 25 years before the date of application for the club permit.;

(b) by striking out paragraph *(a)* of subsection (2) and substituting the following paragraph:

(a) the registration or administration fee (if any) payable under the regulations;

(c) by inserting after subparagraph (i) of paragraph *(b)* of subsection (7) the following subparagraph:

(ia) in the case of a permit under subsection (1a)—on the expiration of 12 months from the date of issue of the permit;;

(d) by striking out from subsection (10) 'subsection (1)' and substituting 'this section';

(e) by inserting 'or (1a)' in subsection (12) after 'subsection (1)';

and

(f) by striking out from subsection (14) 'registration fee' and substituting 'registration or administration fee'.

I spoke at some length in my second reading contribution, so I will not again elaborate on this issue at length. I simply reinforce the fact that the Liberal Party believes very strongly that the owners of vintage, veteran, historic and classic cars should be provided, when seeking to register or obtain a permit to use such vehicles on our roads, with a further option.

The present situation is that the owners of such cars can take out full registration with the same rights as the owners of fully registered cars or, as in section 16 of the principal Act, they can take out a permit for one to three days duration. We believe that those two options are inadequate to cope with the fact that most owners have only one vehicle, and both of the options that I have outlined make the owning and operation of such vehicles a very expensive exercise.

All other States operate a permit system on an annual basis at a reduced fee, with restrictions attached. The amendments seek to reflect the club permit system, as has operated successfully for some years in Victoria. There are conditions attached to the permit, which is available at a reduced fee. As it is proposed that this annual permit be at a reduced fee, it is only fit and proper that some conditions be attached. I would not envisage those conditions being abused by the owner; they would be policed by the club to which a person is associated. It is only when one is associated with a recognised vintage, veteran, historic and classic car club that anyone would be able to obtain such a permit.

The Government has recently increased the fee for obtaining a permit that operates for one to three days duration. The issue of a club permit had not arisen until the Government's decision in the past three years to increase threefold the price of a permit for one to three days use. If a person takes out a car with minimum use of 10 days (with a maximum use of 30 days) that person will be paying a registration fee of $150, which is absolutely ludicrous. I give the Minister the benefit of the doubt in believing that that is not what the Government wishes to achieve, particularly as she will appreciate that the owners of vintage, veteran, historic and classic cars are increasingly being asked to participate in a whole variety of fun runs, charitable organisation functions and fairs. Such events are held from time to time to raise funds for community activities, particularly welfare related community activities.

The Liberal Party believes strongly that there is a need for a permit system such as the one that operates at present for one to three days duration and there is a need for the full registration fee that applies at present. There is a need also for a further option—the option which operates in all other States—of a club permit system providing an annual permit at a reduced fee. I do not want to argue this point at length. However, I refer members who are interested in this matter, and who may be keen to see the strength of the views of antique car owners in this State, to the official newsletter for October 1990 issued by the Adelaide Antique Automobile Club Incorporated.

This newsletter represents the interests of some 42 vintage, veteran, historic and classic car clubs in this State. They are agitating for the change that I have outlined in the amendments. Certainly, they are agitated about the fact that the increase in the current permit system is one that they believe will see fewer people willing to purchase, upgrade, maintain and use older cars in the future and seeing the great joy that such cars bring to everyone whenever people see them on the road, or participating in the Bay to Birdwood Run and other events.

It would be a great pity if, because of restrictions on the availability of an annual permit system at a reduced fee in South Australia, we saw fewer people willing to purchase, maintain and operate such vehicles. I strongly urge honourable members to support the amendments which I have outlined and which I believe on any fair assessment are fair and reasonable amendments. I seek leave to include the following amendment with my original amendment:

Page 1, lines 29 to 35—Include additional paragraph:

(da) by striking out from subsection (11) 'subsection (1)' and substituting 'this section';.

In the context of the principal Act, this means that it would be an offence to breach a condition of a club permit.

Leave granted.

The Hon. ANNE LEVY: The Government opposes the amendment, but that does not mean in any way that it is not sympathetic to the problems in respect of the registration of vintage vehicles. The problem of registration of vintage vehicles is more appropriately dealt with other than in this Bill, and a great deal more consultation with the car clubs needs to take place.

The Minister has been having consultation with car clubs on this matter and he is certainly sympathetic to their needs. He has put to them that a system of registration needs to be devised for them which will satisfy their requirements but which will not mean that they are being subsidised by other road users or other vehicle registrants.

The administrative costs of what they propose must be met by the registration fees they pay. That is not an unreasonable request. It is not to say that the Motor Registration Division should not make any money from them, but administrative costs should be met by the registration fees payable.

There are problems in this regard, because not all owners of veteran or vintage cars have the same interests. An owner who has only one vintage car (and that may well be the majority) may be quite happy to pay for a 12 month permit or registration. However, an owner who has quite a lot of vintage or veteran vehicles—and I understand that one member of this Parliament has something like 23 veteran or vintage vehicles—may not want to incur the expense of a 12 month permit for each and every one of his vehicles. Obviously, someone in that category is more interested in single, one-off permits for the occasional use. The whole system must be worked out in such a way that the admin-

istrative costs to the Motor Registration Division are met by the total of the registration or permit fees which are collected.

Further, this proposal has not been put forward with sufficient consideration given to the systems which are operating currently in other States, or with care to see that what is put forward for South Australia is the most suitable for South Australian circumstances. I can assure members that the proposed amendment, on the calculations which have been put forward to me, with the best will in the world, will not achieve what is expected of it. The owner of a vehicle is obviously most interested in what he has to pay from his pocket. That means he considers not just registration fees but also insurance fees. What is of concern to the owner is the amount paid for the combined total of registration and insurance. I agree that we are setting only the registration fee tonight, but the owner is interested in the bottom line—the sum total of the two amounts.

The Hon. Ms Laidlaw's proposed amendments relating to veteran cars would result in the following fees for a 12 month permit. While the permit might be $15, the insurance would be—

The Hon. Diana Laidlaw: Why should it be $15? I am arguing for an annual permit. The current permit for one to three days costs $15, so why should an annual permit cost $15 also?

The Hon. ANNE LEVY: If an annual permit were $15—

The Hon. Diana Laidlaw: Nobody has even suggested that.

The Hon. ANNE LEVY: If it is greater than that, it will mean even more. If it were $15 for a permit, as the amendment is now constructed, the insurance that the holder would have to pay would amount to $186, giving a grand total of $201. If the permit cost more than $15, the bottom line—the cheque which the owner would have to sign—would be at least $201.

The Hon. Diana Laidlaw: Are these compulsory SGIC fees?

The Hon. ANNE LEVY: This is insurance. I assure members that car owners are not concerned about the individual components of what they have to pay or what proportion is registration and what proportion is insurance: what they care about is the bottom line, how much they have to pay to get their car on the road, and that is the sum of permit plus insurance. Under the Hon. Ms Laidlaw's amendments, the permit would cost at least $15 and, consequently, the owner would pay at least $201 to put his car on the road. That figure is not comparable with what occurs in the eastern States, thus members of car clubs in this State would be disadvantaged.

The Government has undertaken to continue to develop a proposal with veteran and vintage car owners of South Australia. We have started discussions with them and we wish to continue those discussions so that a system that is fair and equitable for both car owners and the average taxpayer and registration seeker in South Australia is arrived at. Until this work, which has commenced, has been followed up and completed, it would not be sensible to proceed with this amendment at the moment. Accordingly, I ask the Committee not to support the amendment at this time.

The Hon. I. GILFILLAN: The Democrats decided to oppose this amendment before this debate following conversations with the newly elected President of the association, Mr Clisby. It appeared to me that the matter was still unsettled between the various groups involved with veteran and antique cars. Although it is important that a proper procedure be put in place, I think it is premature to introduce it in the detail set out in this amendment. However, I indicate that the Democrats would be sympathetic to considered amendments at a later date when the associations and the people involved have had a chance to assess the situation thoroughly and to make recommendations most appropriate for their particular requirements in balance with a fair contribution to the use of the roads and other contributing factors required through registration. We oppose the amendment.

The Hon. DIANA LAIDLAW: What is the anticipated cost of processing a registration form? I would like some idea of the administrative costs of the Motor Registration Division. In terms of the Government's negotiations with owners of these cars, has an assurance been given that an annual permit at a reduced fee will be a third option for owners of such vehicles? The one to three day permit would remain, as would the full registration fee for owners of any other type of car.

The Hon. ANNE LEVY: I am given to understand that currently the $15 fee does pretty well cover the administrative costs.

The Hon. Diana Laidlaw: Of a permit of one to three days?

The Hon. ANNE LEVY: Yes, which is not to imply necessarily that if permits were more complicated the fee might not change, but currently it is estimated that $15 does pretty well cover the costs, roughly.

Regarding the second query from the honourable member, the discussions with the vintage and veteran car clubs are at an early stage, apart from the fact that I have not been privy to them. The Minister would not want to give a commitment as to what will exist without first having received more detailed proposals from the people concerned as to what they think is most appropriate for South Australia.

The Minister has specifically requested that they put forward a proposal which he will very seriously consider, but a comprehensive proposal has not yet been forthcoming. So, it would be rather premature to say that the final answer will include something which may not be suggested.

The Hon. DIANA LAIDLAW: If the Minister cannot provide the information now, I would at least like to be provided with it at a later date: the discussions or negotiations that the Minister of Transport has entered into at this time are not on the basis that he may or may not introduce an annual permit at a reduced fee on condition that there be a discontinuation of the current one to three day permit system. This is one concern and one factor that is causing considerable agitation within the automobile clubs, because some members are certainly suggesting that, if we were able to provide through Parliament a further option of an annual permit at a reduced fee, that Government may move to get rid of the permit system of one to three days duration which, as the Minister indicated earlier, is important to owners of more than one vehicle.

The Hon. ANNE LEVY: I understand that it is too early in the negotiation stage to say what the final outcome will be, but certainly there are no options which have been ruled out and are unable to be discussed. Any feasible options are certainly available for discussion.

The Hon. DIANA LAIDLAW: In reply, the Minister also referred at some length to third party insurance premiums. When one looks at the premium that is paid for the full registration fee with, in a sense, unrestricted use on the road, that figure of $186 is quite extraordinary. In fact, I would have thought that the figure was in the realm of fantasy. It is certainly not the situation that applies in other States, and I am not sure why SGIC believes it would be

necessary here if restrictions were applied to the club permit, as I have outlined in my amendments.

The Government should look at that system again because it seemed to be the key point of the Minister's arguments. However, it is a most irresponsible suggestion and does not apply in other States. I am also interested to know what third party insurance if any is payable by owners when taking out a permit of one to three days duration, an option that is available presently.

The Hon. ANNE LEVY: I must correct the honourable member. It is not SGIC which sets the premiums for third party insurance. It is the Third Party Premiums Committee which sets these figures, and SGIC merely abides by the figures that are set. I would have thought that the honourable member knew that. As I understand it, the current permit costs $15, and they are valid for a period from one day up to 12 months.

The third party insurance premium, which is set by the Third Party Premiums Committee, is currently $4 for up to three days, $20 for up to 20 days and, for over 20 days, it is the standard premium which applies for anything up to 12 months. Obviously, if different types of permit systems are arranged with the veteran and vintage car clubs, discussions will need to be held with the Third Party Premiums Committee to persuade it to take account of the special situations which may occur. Unless that occurs, the figures that I have quoted are what will apply to the owners of such cars if the amendment moved by the Hon. Ms Laidlaw is passed.

The Hon. J.C. BURDETT: I make the comment that it is a great shame that these discussions did not take place with the car clubs before the Bill was introduced, not afterwards.

The Hon. Anne Levy: The ball was in their court. They haven't come back to us.

The Hon. J.C. Burdett: Oh, rubbish; they have.

The Hon. DIANA LAIDLAW: It is difficult for me to move amendments dealing with registration fees and at the same time move amendments dealing with insurance. I regret that I am in Opposition, and I look forward to the day when I sit on the benches opposite, because it is impossible to answer the challenge that the Minister presents in respect of changing those insurance provisions, particularly, because as the Minister noted they are set by an independent body.

However, I am pleased that the Minister has placed a number of matters on record, because what she did not make clear when first referring to the insurance issue is that this is the full rate of insurance and, certainly, it would not be the insurance available for a club permit as envisaged in this Bill. If it were, this would be the only State that would not provide a reduced third party insurance provision.

I understand that, for primary producers with a reduced fee registration, the third party premium is some $40. I also note that the Minister said that, for the reduced fee annual permit, the insurance would be $186. What she failed to admit is that an owner who takes out 10 permits a year under the current arrangements of one to three days would be paying $150 for permits and a further $40 for the insurance, making a total of $190. The whole thing is becoming more and more unreasonable in terms of the current options available in the Act for owners of such vehicles.

In summary, I recognise that the Liberal Party does not have the numbers in relation to this matter and I am pleased that the Minister is negotiating with owners of vintage, veteran, historic and classic cars. Certainly, when I first raised the matter in September this year, the Minister of Transport's response through the press was that he would not tolerate such an option. Therefore, I think we have made progress since the Liberal Party raised the issue publicly. I am pleased that we have made further progress and have received commitments from the Minister as this amendment has been introduced in this Bill. I am heartened also that the Australian Democrats have indicated that they are sympathetic to its provisions. However, I would like further discussions to proceed. I make the commitment that I will be diligent in ensuring that discussions between the Minister of Transport and the owners of such vehicles do proceed, and, if no satisfactory conclusion is reached between those bodies, I will certainly be moving a private member's Bill on the matter.

The Hon. J.C. BURDETT: When I spoke last the Minister said that the ball was in the court of the car clubs. Well, that is not true. I have spoken to the clubs and they have told me that they were not aware until it was announced quite recently in the press that the fee was to be increased from a net $10 to $19. They were not aware of that previously, and they have since made representations and have had no satisfaction as a result of those representations. So, it is not true to say that the ball is in their court. They suddenly had a new situation imposed on them and they have had no opportunity yet to have it resolved. The Government should have consulted and resolved it first before it took this action.

The Hon. ANNE LEVY: Just to set the record straight: there has been consultation with the clubs; they have met with the Minister. In terms of the ball being in their court, the Minister suggested that they come back to him with a completely new system—not a particular fee, but a system that would meet their requirements.

The Hon. J.F. STEFANI: I just want to strengthen the points put forward by my colleague the Hon. Ms Laidlaw on the subject of third party insurance for these permits. We have referred only to the permits issued for up to three days, and if we were to look at permits issued for three days and fewer than 20 days we would have an equation that gave an insurance premium payable of $200 for the 10 occasions for which the permits were issued. I want to refer to the insurance that is payable and to the composite figures which certainly would add up to more than the annual fee if it were a reduced fee.

Amendment negatived; clause passed.

Clauses 5 to 8 passed.

Clause 9—'Regulation of registration and administration fees.'

The Hon. DIANA LAIDLAW: I move:

Page 2, lines 17 to 19—Leave out 'the following paragraphs:' and paragraph *(d)* and substitute 'the following word and paragraph:'.

This amendment removes part of the Government's amendment to section 27. The Government's amendment sought to add a paragraph to allow the making of regulations required by the Registrar to register vehicles of a specified class without payment of registration fees. The earlier acceptance of the amendments I moved to clause 3 makes this amendment consequential.

Amendment carried; clause as amended passed.

Clause 10—'Repeal of section 31.'

The Hon. DIANA LAIDLAW: I no longer wish to move my amendments to clauses 10 and 11, as the Council has accepted the schedule of reduced fees and no fee registrations as moved by the Hon. Mr Gilfillan.

However, I note that the Liberal Party was anxious at all times to see the reduced fee and no-fee provisions incorporated in some form in the Bill, subsequently the principal Act, rather than in the regulations. I suppose this was raised with us initially by primary producers because of the fight

that we are having at present to retain the 50 per cent concession fee for vehicles of less than two tonnes mass. They raised with me the fear that if all these matters were moved to regulations, the Government could introduce a whole batch of regulations to remove a number of the registration concessions now available—some of which I think the majority of members of this Committee may well accept—but that in that batch of possible acceptable amendments we might find one for primary producers' vehicles, CFS vehicles or ambulances which would make it quite difficult for members to disallow as a whole package, as the Hon. Mr Burdett earlier outlined.

These amendments were to be moved on behalf of the Liberal Party as one option to guarantee that this matter remained part of the Bill, and then the principal Act, but as I indicated earlier we were happy to accept the schedule arrangement proposed by the Hon. Mr Gilfillan. Therefore, it is no longer necessary that I move these amendments.

Clause passed.

Clauses 11 to 13 passed.

New clause 13a—'Insertion of first schedule.'

The Hon. I. GILFILLAN: I move:

Page 2, after line 36—Insert new clause as follows:

13a. The following schedule is inserted after section 148 of the principal Act immediately below the heading 'SCHEDULES':

FIRST SCHEDULE
REGISTRATION FEES

Interpretation

1. In this schedule—

'council' means a municipal or district council:

Vehicles to be registered without payment of registration fees

2. (1) The Registrar must register without payment of registration fees—

(a) any motor vehicle owned by the South Australian Metropolitan Fire Service, or a voluntary fire brigade or voluntary fire fighting organisation registered under any Act;

(b) any motor vehicle owned by a council and used solely for the purpose of fire fighting;

(c) any motor ambulance for the use of which no charge is made;

(d) any motor ambulance operated by a council or by a society or association otherwise than for the purpose of monetary gain to the individual members of such society or organisation;

(e) any motor vehicle owned by the Renmark Irrigation Trust and used solely or mainly in connection with the construction or maintenance of all or any of the following works, namely, roads, irrigation channels, irrigation drains and other works for irrigation or drainage of the Trust's area;

(f) any motor vehicle consisting of mobile machinery and plant used solely for boring for water or of mobile machinery and plant used solely for excavating and cleaning dams;

(g) any motor vehicle owned by an accredited diplomatic officer or accredited consular officer *de carriere*, who is a national of the country which he or she represents and who resides in the State;

(h) any trailer used solely for the purpose of carrying equipment and fuel for generating producer gas for the propulsion of the motor vehicle by which the trailer is drawn;

(i) any tractor, bulldozer, scarifier, grader, roller, tar sprayer, tar kettle or other similar vehicle constructed or adapted for doing work in constructing, improving or repairing roads and used only in such work or in the course of a journey to or from a place where such work is being, or is to be, done;

(j) any motor vehicle owned by a council and used solely for the purpose of civil defence;

(k) any motor vehicle owned by, and used for the purposes of, the Lyrup Village Association;

(l) any motor vehicle owned by, and used for the purposes of, the West Beach Trust;

(m) any motor vehicle owned by a council or an animal and plant control board under the Animal and Plant Control (Agricultural Protection and Other Purposes) Act 1986, and used solely or mainly in connection with the eradication and control of plants to which a provision of Part IV of that Act applies;

(n) any motor omnibus owned by the State Transport Authority and used for the purpose of carrying passengers for hire and reward;

(o) any motor vehicle constructed or adapted integrally with a drilling rig and used solely for water, petroleum or mineral exploration or production;

(p) any motor vehicle owned by The Coober Pedy Progress and Miners Association Incorporated and used—

(i) as an ambulance otherwise than for the purpose of monetary gain to the individual members of the Association;

(ii) solely for the purpose of fire fighting;

(iii) solely or mainly for the collection and transport of household rubbish;

(iv) solely or mainly in connection with the construction or maintenance of roads;

or

(v) solely for the purpose of civil defence;

(q) any motor vehicle owned by a council and used solely for State emergency services;

(r) any motor vehicle owned by the State Emergency Service and operated in an area under the control of the Outback Areas Community Development Trust and used solely for State emergency purposes;

(s) any motor cycle the mass of which does not exceed 50 kg and that is fitted with and capable of being propelled by pedals.

(2) Where—

(a) a motor vehicle has been registered under this clause;

(b) an application for registration of the vehicle is made otherwise than under this clause;

and

(c) the vehicle has not previously been registered under this Act on an application by the present applicant in respect of which stamp duty has been paid,

the Registrar must treat the application as if the vehicle had not previously been registered under this Act, and registration fees and stamp duty will be payable on the application accordingly.

3. In this clause—

'dam' means any excavation in which water is stored or intended to be stored:

'mineral' means mineral as defined in the Mining Act 1971:

'petroleum' means petroleum as defined in the Petroleum Act 1940.

Registration fees for primary producers' commercial vehicles

3. (1) If the owner of a commercial motor vehicle or tractor—

(a) satisfies the Registrar by such evidence as the Registrar requires that the owner is a primary producer in this State;

and

(b) undertakes that that motor vehicle or tractor will not, unless the balance of the prescribed registration fee is paid, be used on roads for carrying Her Majesty's mails, goods or passengers for pecuniary reward or for carrying goods in the course of any trade or business other than that of a primary producer,

the registration fee is one-half of the prescribed registration fee.

(2) In this clause—

'carry', 'carrying' and 'carriage' respectively include haul, hauling and haulage.

Registration fees for primary producers' tractors

4. (1) If the owner of a motor tractor—

(a) satisfies the Registrar by such evidence as the Registrar requires that the owner is a primary producer in this State;

and

(b) undertakes that, unless the balance of the prescribed registration fee is paid, the motor tractor will not be used on roads except for the purposes mentioned in subclause (2),

the registration fee is one-quarter of the prescribed registration fee.

(2) The purposes referred to in subclause (1) are—

(a) transporting produce of the primary producer's land from that land to the nearest railway station, or

if there is a port nearer to that land than any railway station then to that port;

(b) transporting any such produce to a place not more than 24 kilometres from that land for the purpose of the packing, processing, delivery to a carrrier, or sale;

(c) transporting goods intended for consumption or use on the land of the primary producer from any such railway station, port or place to that land.

Registration fees for certain vehicles owned by councils

5. (1) The registration fee payable in respect of an application to register—

(a) any motor vehicle owned by a council and used solely or mainly in connection with the construction or maintenance of roads;

or

(b) any motor vehicle owned by a council or by a controlling authority under the Local Government Act 1934, and used solely or mainly for the collection and transport of household rubbish,

is one-half of the prescribed registration fee.

(2) This clause does not apply to or in relation to any motor vehicle in respect of which a reduced registration fee is payable pursuant to any provision of this Act other than this clause.

Registration fees for vehicles in outer areas

6. (1) If the owner of a motor vehicle undertakes that, unless the balance of the prescribed registration fee is paid, the vehicle will, during the period for which registration is applied for—

(a) be used wholly or mainly in outer areas;

(b) be in the possession and under the control of a person who resides in an outer area;

and

(c) be usually kept at premises situated in an outer area,

the registration fee is one-half of the prescribed registration fee.

(2) In this clause—

'outer area' means—

(a) the whole of Kangaroo Island;

(b) the area of the District Council of Coober Pedy;

(c) the area of the District Council of Roxby Downs;

or

(d) all other parts of the State that are not within a council area of Iron Knob.

(3) In subclause (2)—

'Iron Knob' means all that portion of the County of Manchester within a circle having a radius of 2 415 metres and its centre at the south-western corner of Allotment 270, town of Iron Knob.

Registration fees for vehicles owned by incapacitated ex-service personnel

7. (1) If the Registrar is satisfied by such evidence as the Registrar requires that—

(a) a motor vehicle is owned by a person who has been a member of a naval, military or air force of Her Majesty;

(b) the owner, as a result of service in such a naval, military or air force—

(i) is totally and permanently incapacitated;

(ii) is blind;

(iii) has lost a leg or foot;

or

(iv) receives under the laws of the Commonwealth relating to repatriation a pension at the rate for total incapacity or a pension granted by reason of impairment of the power of locomotion at a rate not less than 75 per cent of the rate for total incapacity;

and

(c) the vehicle will, during the period for which it is sought to be registered, be wholly or mainly used for the transport of the owner,

the registration fee is one-third of the prescribed registration fee.

(2) This clause does not apply to or in relation to—

(a) more than one motor vehicle owned by the same owner;

or

(b) any motor vehicle in respect of the registration of which a reduced registration fee is payable pursuant to any provision of this Act other than this clause.

(3) If the registered owner of a motor vehicle that has been registered at a reduced registration fee in accordance with this clause dies, or ceases to be the owner of the vehicle, the registration will, subject to this Act, continue in force for a period of one month after death, or the cessation of ownership, and will, unless the balance of the prescribed registration fee is paid, become void on the expiration of that period.

Registration fees for vehicles owned by certain concession card holders

8. (1) If the Registrar is satisfied by such evidence as the Registrar requires that the owner of a motor vehicle—

(a) is entitled, as the holder of—

(i) a State Concession Card issued by the Department for Family and Community Services;

or

(ii) a pensioner entitlement card issued under any Act or law of the Commonwealth,

to travel on public transport in this State at reduced fares;

and

(b) the vehicle will, during the period for which it is sought to be registered, be wholly or mainly used for the transport of the owner,

the registration fee is one-half of the prescribed registration fee.

(2) This clause does not apply to or in relation to—

(a) more than one motor vehicle owned by the same owner;

or

(b) any motor vehicle in respect of the registration of which a reduced registration fee is payable pursuant to any provision of this Act other than this clause.

(3) If the registered owner of a motor vehicle that has been registered at a reduced registration fee in accordance with this clause dies, or ceases to be the owner of the vehicle, the registration will, subject to this Act, continue in force for a period of one month after death, or the cessation of ownership, and will, unless the balance of the prescribed registration fee is paid, become void on the expiration of that period.

Registration fees for trailers owned by certain concession card holders

9. (1) If the Registrar is satisfied by such evidence as the Registrar requires that the owner of a trailer—

(a) is entitled, as the holder of—

(i) a State Concession Card issued by the Department for Family and Community Services;

or

(ii) a pensioner entitlement card issued under any Act or law of the Commonwealth,

to travel on public transport in this State at reduced fares;

and

(b) the trailer will, during the period for which it is sought to be registered, be wholly or mainly employed in the personal use of the owner,

the registration fee is one-half of the prescribed registration fee.

(2) This clause does not authorise the registration at a reduced registration fee of more than one trailer owned by the same owner.

(3) If the registered owner of a trailer that has been registered at a reduced registration fee in accordance with this clause dies, or ceases to be the owner of the trailer, the registration will, subject to this Act, continue in force for a period of one month after death, or the cessation of ownership, and will, unless the balance of the prescribed registration fee is paid, become void on the expiration of that period.

Registration fees for vehicles owned by certain incapacitated persons

10. (1) If the Registrar is satisfied by such evidence as the Registrar requires that the owner of a motor vehicle—

(a) in consequence of the loss of the use of one or both legs, is permanently unable to use public transport;

and

(b) the vehicle will, during the period for which it is sought to be registered, be wholly or mainly used for the transport of the owner,

the registration fee is one-half of the prescribed registration fee.

(2) This clause does not apply to or in relation to—

(a) more than one motor vehicle owned by the same owner;

or

(b) any motor vehicle in respect of the registration of which a reduced registration fee is payable pursuant to any provision of this Act other than this clause.

(3) If the registered owner of a motor vehicle that has been registered at a reduced registration fee in accordance with this clause dies, or ceases to be the owner of the vehicle, the registration will, subject to this Act, continue in force for a period of one month after death, or the cessation of ownership, and will, unless the balance of the prescribed registration fee is paid, become void on the expiration of that period.

Registration fee for vehicles driven, etc., by electricity

11. (1) The registration fee payable in respect of an application to register a motor vehicle driven or propelled, or ordinarily capable of being driven or propelled, solely by electricity is one-half of the prescribed registration fee.

(2) This clause does not apply to or in relation to any motor vehicle in respect of which a reduced registration fee is payable pursuant to any provision of this Act other than this clause.

This new clause seeks to establish a schedule which embraces the detail of registration concessions for various classes of vehicles.

The Hon. DIANA LAIDLAW: The Liberal Party accepts this new clause, one section of the schedule dealing with the reduced registration of 50 per cent for primary producers' commercial vehicles. That matter is contrary to the wishes of the Government, and it is very heartening to see that it is included in this schedule, as it was earlier in our amendments to the Bill. Also, the schedule incorporates a matter that the Liberal Party had moved earlier to include, that is, provision for a 50 per cent registration fee for local government vehicles involved in road construction and maintenance. The Government had moved to delete reference to such vehicles, so that the full registration fee would be required concerning them. That is not to be the case, as proposed in our original amendments and now incorporated in the schedule.

The Hon. ANNE LEVY: The Government opposes this amendment, not just on the ground that it is putting categories into a schedule. We debated that earlier and I do not want to repeat that argument. The schedule is putting back the concessions for local councils which, under the Government's proposal, would have been repealed by clause 10 of the Bill which repeals section 31 of the principal Act. That has been agreed to, but the amendment seeks to put that concession back for local councils.

There is no real rationale to a reduced registration fee for local councils. Why should local councils receive free registration when contractors, who undertake road works and rubbish collections for councils, receive no concessions?

The Hon. Diana Laidlaw: We have said 50 per cent, not free.

The Hon. ANNE LEVY: But the people with whom they are in competition, private contractors—and I thought that the Opposition was in favour of private entrepreneurs—who, under contract, undertake rubbish collection or road works for councils, receive no concessional fees at all. Why should councils, which themselves undertake this work as opposed to contracting it out, receive any concession? If members opposite believe in an even playing field—that there should not be discrimination for or against public or private enterprise—they cannot justify this concession, be it the full concession as applied in the past or half fee as they are now suggesting. If there is to be an even playing field with no discrimination, there is no reason why local councils should not pay full fees for rubbish collection and roadmaking vehicles when private contractors pay full tote odds for the same work and are in competition with councils for it. I fail to see any logic whatsoever in the Opposition's stand on this matter.

I point out that Government departments, which have roadmaking vehicles, pay full registration fees for those vehicles. Statutory authorities and other public agencies which have roadmaking vehicles also pay full registration fees for them. Why should local government be the exception? The change that the Government was putting forward was to require councils to pay the same registration fees on their trucks and utilities as those paid by other organisations and bodies with which they are in competition.

The vehicles that are specifically adapted to road making such as graders, tractors, rollers and bitumen layers will continue to be registered without registration fee by councils as well as by other bodies. It is not the graders, tractors, rollers and bitumen layers about which we are talking: it is other vehicles used in road making and rubbish collection where all other bodies pay full tote odds and full registration fees for them. It makes an absolute nonsense of any pretence that there should be an even playing field without discrimination, and I hope that the Hon. Mr Stefani will never again raise such an argument.

The Hon. J.C. BURDETT: A principle that I have always understood is that one arm of Government does not tax another, and what is in the Bill completely sets that aside. It is an example of the State Government taxing local government and I find that objectionable. It is breach of that principle, particularly in view of the fact that the vehicles that we are talking about are used almost entirely on roads maintained by councils and not by the State Government.

There is no question of that. They are used almost entirely on roads maintained by councils, anyway, so why should they have to pay for the privilege of using the roads? The modest amendment moved by the Hon. Diana Laidlaw simply provides a half fee. That seems entirely reasonable to me. If there is any honour at all in the suggestion that arms of Government—Federal Government, State Government and local government do not tax each other—then surely this amendment is a modest implementation of that.

The Hon. DIANA LAIDLAW: The arguments advanced by the Hon. Mr Burdett coherently put the case of the Liberal Party in this matter. The Liberal Party did debate this issue at length, acknowledging the points that the Minister raised. The Liberal Party believes strongly, particularly in relation to the State Government and the private sector, that it be an even playing field.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: The Minister is paranoid about some patronage that perhaps she practises herself, which is why it is always on her mind. She is meant to represent local government.

The CHAIRMAN: Order!

The Hon. Anne Levy: No, I am not meant to represent local government: the Local Government Association represents local government.

The CHAIRMAN: Order!

The Hon. DIANA LAIDLAW: Just keep cool.

The Hon. Anne Levy: I am the Minister of Local Government.

The Hon. DIANA LAIDLAW: Local government would certainly say that the Minister does not represent its interests. It would agree with the Minister entirely.

The Hon. Anne Levy interjecting:

The CHAIRMAN: Order!

The Hon. DIANA LAIDLAW: That is certainly so in this case. I will just refer to my papers and the letters I have received. From time to time the Minister has said that she is most interested in receiving the views of the LGA on matters affecting all councils, as this matter does. Per-

haps she could have sought the views of the LGA on this matter and then she would have realised that the LGA is opposed totally to what the Government wants.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: It is interesting how selective the Minister can be in the arguments she presents. It is turn on and turn off.

The Hon. Anne Levy interjecting:

The CHAIRMAN: Order! The Minister has the opportunity to answer later.

The Hon. DIANA LAIDLAW: It is clear that the Minister has not bothered to check, nor is interested, in representing the views of the LGA, let alone the individual councils in this State. It may be of considerable interest to her if she were to contact the then Acting Secretary-General (Chris Russell)—I think the Secretary-General has returned—and seek the association's views. The letter that I received dated 4 December is adamantly opposed to what the Government proposes.

The issue which the Liberal Party first moved, which Mr Gilfillan has accepted in principle and which is now incorporated in the schedule, is a 50 per cent registration fee acknowledging, as in the case for primary producers, that the vehicles are used on the local government's own roads for improving those roads. The same applies with the argument for the 50 per cent registration fee for primary producer vehicles, that they are being used on the farmer's own property for means of improving that property. It is entirely reasonable and fair, and reflects the views of the Local Government Association, let alone every individual council in this State.

The Hon. J.F. STEFANI: The Minister has said that she does not want me ever to raise the question of a level playing field. I was in private enterprise most of my life before I entered Parliament, and private enterprise can compete very satisfactorily on the basis of its expertise. We are talking about vehicles adapted for rubbish collection by the contractors. They are specialist vehicles and, by and large, do the contract work for councils that have no trucks to collect the rubbish.

The Hon. Anne Levy: Bullshit! They go down my street once a week.

The CHAIRMAN: Order!

The Hon. J.F. STEFANI: I will not repeat that unparliamentary remark.

The CHAIRMAN: I think it is almost unparliamentary. I heard that.

The Hon. J.F. STEFANI: There are trucks that do collect rubbish in the country areas, and most of the rubbish trucks in the local metropolitan area are contract trucks, and that is the reality. Most councils engage contractors to collect their rubbish. There might be one or two councils that do their own but, by and large, contractors carry out the rubbish collection. As for the vehicles used, such as trucks and utilities, I have often seen them on the roads, particularly in the Woodville council area, travelling around in relation to the emergency repair of footpaths and roads, and these vehicles are purely carrying out this maintenance work on an emergency basis. Surely to goodness we are concerned enough to allow the council to carry out this work on the most economical basis for the local community. I am sure that we can allow some sort of concession for these trucks to carry out the work in the case of emergencies at an economical cost to the local community, particularly with respect to country towns. These vehicles are not luxury vehicles but are used within the local areas and provide a valuable service.

The Hon. PETER DUNN: Why was a concession allowed in the first instance for local government vehicles? Further, am I correct in saying that the money that will be raised from the registration of local government vehicles will go back to local government via road grants, so what is the difference? The Minister is just making it go around, allowing the bureaucrats to soak up more money while they do the book work on it. It really is a nonsense.

The Hon. ANNE LEVY: With regard to the first part of the question, research will be needed to provide the answer. If it is not too difficult, I will request the department to undertake that research. I am informed that it certainly dates back to before the Second World War and that it might date back to the First World War. Obviously, it will take research to determine why it was introduced then as there is no-one around who will remember.

The Hon. DIANA LAIDLAW: I was interested to learn that members of the Local Government Association were not consulted by the Government on this matter and that the first time they saw the Bill and the second reading explanation was when I forwarded the documents to them. They certainly were not consulted when the Government announced the matter in the budget. In a letter to me, Mr Russell of the Local Government Association advises:

> . . . we are concerned about the cost transfers.

That matter was raised by the Hon. Mr Burdett. The letter continues:

> As the Local Government Act requires councils to have set their budgets and rates by 31 August for the 1990-91 year, will the date for commencement of these changes be such that they will not impact on council budgets until 1991-92?

Of course, that is not the case. The letter continues:

> If the changes will apply in this financial year, what services does the Government suggest—

perhaps the Minister could answer this question—

> that councils drop to pay the costs? Was stamp duty considered when the estimates of what the change would cost were considered?

The estimates provided by the LGA certainly suggest that the Government has conveniently excluded any reference to sales costs. The letter goes on to say that the costs will be substantial and will be ongoing as vehicles are replaced, both for registration and stamp duty. I will supply a copy of this letter to the Minister if she wishes to know the views of the LGA in relation to this issue.

The Hon. ANNE LEVY: I understand that the cost would be a maximum of .05 per cent of the budget of any country council and that it would be considerably less than that for a metropolitan council. I would like to make one comment regarding consultation. Members know perfectly well that these measures were introduced in late August of this year as part of the budget. It has never been the practice for consultation to occur on matters contained in the budget. I am sure that members would be well aware of that and of the intense secrecy which always pertains to a budget matter. I am sure also that this would apply in any Westminster system of Government regardless of the political ideology of the Government of the day. There never has been and never will be consultation on budget matters prior to their announcement in the budget speech. I suggest that that is a standard and that, should this State ever be unfortunate enough to have members opposite sitting on this side of the Chamber, they would do exactly the same thing—there would be no consultation on their part before matters are announced in the budget. It is quite contrary to the parliamentary tradition for that to occur.

New clause inserted.

Clause 14 and title passed.

The Hon. ANNE LEVY (Minister of Local Government): I move:

That this Bill be now read a third time.

In so moving, I wish to indicate that I take it as being most improper for this Council to move amendments to revenue raising matters which have been part of the budget. Any State budget contains matters relating to expenditure and the raising of money—you cannot have one without the other. All budgets deal with these two matters. Parliament examines the budget through the Estimates Committees, but they deal mainly with the expenditure of money. The raising of money is just as important and just as much part of a budget, and I feel it is most improper for this Council to take steps to affect the revenue-raising provisions of a State budget.

The Council is not supposed to take initiatives in money matters, and in fact the Constitution prohibits it from initiating money matters. While it did not come with the budget papers dealing with the expenditure of money, the raising of this money was just as much part of the budget as any other part, and it is improper for a House of review, so-called, with very limited powers in financial matters to amend a State budget in this way.

Bill read a third time and passed.

SCHOOLTEACHERS

Adjourned deabate on motion of Hon. M.J. Elliott:

That this Council condemns the State Government's announced intention to dramatically reduce the number of teachers in South Australian public schools

(Continued from 21 November. Page 2051.)

The Hon. R.I. LUCAS (Leader of the Opposition): I support the motion before the Council. In doing so, I will quote from a leaflet that was circulated to teachers prior to the last election and prior to agreement to the curriculum guarantee document being approved, as follows:

The State Government wants you to agree to the curriculum guarantee package. Wonder why? Could be it wants to win another election and wants education as an issue defused? You can trust the State Government. Just because it didn't keep too many of its 1982 election promises and key election promises in education made in 1985 does not mean that it cannot be trusted now. Leopards can change their spots. Just because the State Government promised no funding cuts and no reduction in the number of teachers and then made funding cuts and reduced the teaching force by some 500 shouldn't prejudice your thinking. When the Premier speaks, his word can be relied upon, just like always.

The department wants you to agree to the curriculum guarantee package. Wonder why? Could it be that some of them want education as an election issue defused? Just because they are employed under the GME Act and appointed by the State Government does not mean that they are not disinterested public servants acting without fear or favour. You must have seen how much tender loving care some of them have bestowed on you in recent times. Look at the 'gagging' attempts of last year and the staged staffing for 1989 and the terrific curriculum guarantees for this year.

That unsigned leaflet, under the heading 'SAIT members: don't get sucked in', was circulated to all schools prior to the discussions and finalisation of the curriculum guarantee document last year.

There is some suspicion as to who the author of that document might have been, but it is fair to say that its author has been proved to be correct. The author was warning SAIT members, teachers, staff and, indeed, parents and students, to watch out for Premier Bannon.

During the last weeks of the election campaign, another leaflet went out to schools under the heading 'Curriculum Guarantee Bulletin'. It was signed by David Tonkin, President of the South Australian Institute of Teachers. It went out on the fax machine from the headquarters of the Institute of Teachers to all schools on either the Thursday or Friday prior to the last State election, and its first point was:

Curriculum guarantee extended beyond 1990.

There has been some concern among schools about the extent of the curriculum guarantee after 1990. After negotiations with SAIT the Government has undertaken to extend the guarantee beyond 1990. Specifically, the Premier, John Bannon, has stated:

And the document quotes Mr Bannon as follows:

'Students are guaranteed that in 1990 and beyond, the 1989 curriculum is the absolute minimum offering.' The Government's commitment provides the reassurance and the stability that schools and parents have been seeking. So far the Liberal Leader of the Opposition has not undertaken to honour this commitment.

Whilst it is not the subject of this debate, I certainly took great exception to that last statement made by Mr David Tonkin during the last election campaign. However, that is a subject for another debate.

The third quote is a letter signed by the former member for Newland, Dianne Gayler, MP, and was part of a direct mail exercise involving hundreds of teachers in the Newland electorate. Similar letters went out to hundreds of teachers in other electorates. The letter stated:

Dear Carolyn [in this case],

I care about education. I want South Australian schools to remain the best in Australia . . . The Bannon Government's 'curriculum guarantee' is a tangible commitment to improving teacher conditions and your capacity to meet the challenges of the 1990s. For my own Tea Tree Gully schools, it means real gains in teacher resources from 1990. The guarantee is a major initiative, tackling some of your long-standing concerns.

The letter then goes on to explain some of the details of the supposed guarantee. One of the points is that it 'caps class sizes'. The letter then ends:

Giving our children the very best start should not be left to chance—

after it attacked the Liberal Party, I might add—the Liberal Party here, in New South Wales and everywhere else.

The Hon. Anne Levy: Is that why you are so selective?

The Hon. R.I. LUCAS: She is at it again, Mr President. She really is persistent, this Minister.

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

The Hon. R.I. LUCAS: The Minister is like a little magpie: she chirps away and no-one takes much notice.

The Hon. Peter Dunn: She never achieves much.

The Hon. R.I. LUCAS: She never achieves much. She chirps away, out of order, interjecting, but she never achieves much. Let me continue with the quote:

Giving our children the very best start should not be left to chance. Along with you, they deserve the Bannon Government's guarantee.

Yours sincerely, Di Gayler.

And then, in the lovely form that looks as though it was meant to be personally written, but was not, the letter states:

P.S. Your vote will be vital for education.

They are just three examples of literally dozens of documents I could have brought into this Chamber to quote in relation to the commitments that the Government made prior to the last election. It was a key feature of the Government's re-election strategy: the signing of the curriculum guarantee prior to the last State election. It featured—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: Who would know? He's a Democrat. Literally dozens and dozens of pieces of election material were circulated by the Premier, the Minister of Education and members in marginal seats. The Hon. Mario Feleppa assiduously doorknocked in the Norwood electorate—as I presume did others—trying to save the Minister

of Education, the Hon. Greg Crafter. They were making all sorts of commitments and promises—whatever they could think of at the time, and we are talking only about education promises at the moment—in relation to education. It really did not matter for the Bannon Government or, indeed, for Premier Bannon. I have said this before and will say it again: I just cannot understand the people of South Australia. They look into those blue eyes of honest John—Premier John Bannon—and they believe him!

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: And they believe him! He must be some sort of snake charmer. I do not know what it is, but he has this mesmerising effect on the people of South Australia.

The Hon. R.R. Roberts: It's the aura of winning.

The Hon. R.I. LUCAS: It might be the aura of winning, but they look at what must be those lovely blue eyes and blonde hair, and they believe him!

In 1982 he makes his promises, and in 12 months he breaks them. In 1985, he makes a promise, a firm commitment—

The Hon. T. Crothers: That's two.

The Hon. R.I. LUCAS: I am just talking about the major ones: I do not want to go through the minor promises he has broken. In 1985 the major commitment was, 'There will be no funding cuts to schools. There will be no cuts in teacher numbers, even though there are declining student numbers in schools.' That was an important addition to the promise: no teacher cuts at all, even though there were going to be declining student enrolments.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: The Hon. Ron Roberts is laying claims to a sex education program here. I will not explore that with him; it would be out of order. But the Bannon Government made a key commitment in 1985, and the record showed that in the four years from 1985 to 1989 the Government cut 700 teachers from our schools, contrary to the election promise of Premier Bannon in 1985.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Premier Bannon knew what the enrolment figures were. The promise was made and underlined despite declining enrolments. I cannot say it any more clearly, even for the Hon. Ron Roberts. Even he should be able to understand that: despite declining enrolments.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Even at night school, I suspect, you could understand that. That means, 'Even though numbers will decline, we will not cut teacher numbers.' That was the promise of 1985, and it does not matter whether student enrolments went down by one, 100, 1 000 or 100 000: that was the commitment that Premier Bannon made as a key feature of his 1985 election promise.

After his record between 1982 and 1985, his two election victories, in 1989 he trots out again a whole series of other promises, the key one in the important area of education being the curriculum guarantee. That was the promise of increased resources for schools, a maintenance of teacher numbers and an absolute commitment that the 1989 curriculum would be the absolute minimum offering. That was the commitment from honest John: the absolute minimum offering that was going to be made to all students in all schools from 1989 onwards, which would last for the four years of this Bannon term, if the Government were re-elected.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I did not go to St Peter's College. The Hon. Ron Roberts might have but I did not, so I cannot give a running commentary on how it relates to St Peter's College. That was a commitment that was publicised by the Government and by the Institute of Teachers: an absolute minimum offering from 1989 onwards, for the four years of the Bannon Government. It is no wonder there is anger in schools at the moment. The Hon. Ron Roberts should wait until next year; he has not seen anything yet in relation to the distrust, the anger and, in some places, the hatred of what this Government, in particular Premier Bannon and the Minister of Education, is doing to schools and more particularly to students. I want to quote from an open letter to the Premier dated 13 November 1990 from one of our most senior and respected educators in South Australia.

The Hon. R.R. Roberts: Mickey Mouse!

The Hon. R.I. LUCAS: The Hon. Ron Roberts calls some of our most senior and respected educators 'Mickey Mouse'; that is his opinion. The letter states:

> Well, John, once again you seem to have demonstrated your version of the smart State which you say South Australia must become if we are to compete successfully in the international markets. Your idea of a smart State, John, seems to be to make glib promises at election time and to forget about the promises once the votes are in. I think you call it pragmatism; others, John, might call it dishonesty or political chicanery.

The Hon. Carolyn Pickles: Signed Sir Mark Oliphant.

The Hon. R.I. LUCAS: It is certainly not Sir Mark Oliphant.

The Hon. Anne Levy: It is Alec Talbot.

The ACTING PRESIDENT: Order! There is far too much help from the Government.

The Hon. R.I. LUCAS: Indeed. The Hon. Anne Levy interjects or chirps correctly on this occasion. Alec Talbot, is one of the most senior and respected educators in South Australia—as the Hon. Anne Levy concedes by way of nodding across the Chamber—a President of the South Australian Primary Principals Association for nearly 15 or 20 years and a person with great experience in education. Let me continue to quote the letter—although I will not read it all because time does not permit:

> In the face of your actions, John, it is sheer stupidity for you or anyone else to be talking about South Australia becoming the smart State. I note that in a recent feature article in the *News* you claim, John, that we have to believe in our abilities and we must never be satisfied with mediocrity.
>
> I am sorry, John, but your talk of a smart State is empty rhetoric and your Government's track record is even less than mediocre. Others would call your empty rhetoric hot air, John.
>
> No, John, we are a long way from becoming the smart State. Your Government is not too smart, either, but perhaps a wee bit arrogant and smug. Another spell on the Opposition benches, John, might smarten it up a bit for those young enough to learn. Your budget, John, may be in tatters because of your own ineptitude. Your litany of broken promises, John, appears to indicate a mild deficiency of public integrity.
>
> John, your Government had better hope that South Australia never becomes the smart State, for when it does you might not be Premier and your Cabinet might be looking on from the periphery.

That is only one of many letters currently being circulated to all schools indicating the depth of feeling, the depth of disappointment and the feeling of betrayal of this Government that proclaims that it is looking after education, schools and students.

The Hon. Anne Levy: The teachers who showed it to me were laughing their heads off.

The Hon. R.I. LUCAS: The Hon. Anne Levy obviously is a very staunch defender of Premier Bannon. I guess she would have to be if she wants to maintain her position in the Cabinet for a little bit longer, now that she is the 'Minister for nothing' in relation to local government. First, we ought to bear in mind that we are not just talking about a cut of a further 800 teachers—and, in effect, that will now

be 1 500 teachers in five years—from our schools. There will also be a further cut of some 120—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I will be happy to talk for about another 20 minutes at the end of this contribution about how we would have done things differently. Certainly we can give a commitment that, if in government now, we would not have been cutting teacher numbers by 800.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: You have got a commitment.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: You don't have to interject any more. The Hon. Ron Roberts has got the commitment.

The Hon. R.R. Roberts interjecting:

The ACTING PRESIDENT (Hon. Peter Dunn): Order! The honourable member will have a chance to contribute to the debate later.

The Hon. R.I. LUCAS: Thank you, Mr Acting President. The Hon. Ron Roberts and the Government have got that commitment from the Liberal Party. There was a commitment prior to the election, and at least we would stick by the promises and the commitments we made prior to a State election.

We are now talking not only about 15 000 teachers being cut from our schools over five years but, as a result of this further cut of 800 teachers, we will see further cuts of up to 140 full-time equivalent ancillary staff positions in our schools. The ancillary staff will, in effect, be the innocent victims of what the Government is undertaking at the moment.

The Hon. M.J. Elliott: Are you saying that teachers are not innocent?

The Hon. R.I. LUCAS: No, I am not saying that teachers are not innocent at all: I am saying that the Government's position is that the greedy, rapacious teachers have got a 9 per cent increase in salary and, as a result, we shall have to get rid of 800 of them to more than pay for it. But the ancillary staff have not had that 9 per cent increase in salary. There is no wage relativity between the teachers and the ancillary staff. In that respect, the ancillary staff, first, have not got the pay increase at all and, secondly, up to 140 FTE positions or perhaps more—because we are talking about full-time equivalents, and many of them are employed on a part-time basis—will be cut from our schools, even though ancillary staff did not receive the significant increases that teachers received, rightly in the view of the Liberal Party.

The Hon. R.R. Roberts: And the Labor Party.

The Hon. R.I. LUCAS: Some might argue that. I support most of the remarks made by the Hon. Mr Elliott in moving this motion, in particular, his contention that subject choice will be affected badly and that class sizes will increase, in many cases quite markedly. We had the nonsensical notion by the Government, the Minister of Education and the Director-General of Education that all we are talking about is an extra one student in a class. The Minister of Education has not been active in schools, but he has—

The Hon. M.J. Elliott: He has displayed his ignorance about—

The Hon. R.I. LUCAS: He has displayed his ignorance, as the Hon. Mr Elliott indicates, about the way secondary schools are structured and the way courses are offered in them. We do not talk about these mythical notions of average class sizes where we throw into the calculation old Uncle Tom Cobley and all to come up with the magical figure of average class sizes. We do not throw in the principal, all the deputy principals and administrative staff and so on to come up with a calculation on the staff to student ratio.

We do not have nice discrete lumps of 25 students or so in all classes in our secondary schools: we have a broad and diverse curriculum, which we support and are on the record as supporting. For many of those courses the class sizes are indeed very small. We might have only 10 or so students doing geography in year 11 at Unley High School; we might have only 12 or so students doing classical studies, electronics or small business at another high school; and we might have as few as five or six in some classes. However, schools have been offering a broad and diverse curriculum, in particular to years 11 and 12. The Minister and the Director-General show their ignorance when they say that the quality of education will not be affected at all by these changes, that really it is a question of rejigging the timetables by schools and that we will have perhaps one extra student or at the maximum two in each class.

Of course, if one says that loudly and often enough, some will believe it until parents and students see what will happen in their schools in the first term of next year, which is when we will hear the loudest screams of all. Subject choices and class sizes are affected, and teacher and staff morale in our schools has effectively been destroyed. In a large part, our education system operates on a substantial amount of goodwill from teachers.

Because of this destruction of teacher morale, much of this goodwill from teachers in trying to implement change and in accepting extra responsibilities for extra curricular activities has gone, and certainly the teachers who have spoken to me, and I presume to the Hon. Mr Elliott and other members, have indicated that from their viewpoint they will do the job that is required of them, but not much more.

I want to consider the effects of these cuts on the Bannon Government's notion of social justice. This Labor Government has trumpeted loudly this policy of its being the Government and the Party of social justice. Supposedly, it is the feature of all its portfolios and it has trumpeted loudly what it has done in the social justice area under the education portfolio. It is certainly my view and that of most teachers that it will be the disadvantaged, those students from lower socio-economic areas, who will be hit the hardest by these across the board cuts by the Bannon Government.

I want to refer to three from literally dozens of pieces of correspondence that the Liberal Party has received. I am disappointed that the Hon. Mr Crothers has another engagement and is not here to listen to the plaintiff cries for help from residents and students in the Elizabeth and Salisbury areas, and their dismay at the betrayal by the Bannon Government of their concerns for social justice and improved education choice in the disadvantaged areas of Elizabeth and Salisbury. I quote from a letter to the Premier by a year 12 student in the Elizabeth/Salisbury area, who states:

> For too long Elizabeth and Salisbury, because of the lack of educational access, has to a large degree helped to cripple their inhabitants from breaking away from the welfare system. The Elizabeth West Re-Entry High School is of vital importance in enabling the vicious cycle of poverty and apathy that abounds here to be broken. Already since the school's establishment, it has helped many to gain not only work-skills for re-entering the workforce, but enabling others to go on and study at tertiary level. It has also given much self-esteem and respect to otherwise despondent and at times despairing people. Many of these persons in particular are women who subsist on sole supporting parents pensions.

I am delighted to see that the Hon. Carolyn Pickles is in the Chamber and will be responding on behalf of the Government, because she has often proclaimed her concern for the sole supporting parent, I will be delighted to hear her

defending this decision by the Bannon Government, a decision that has distressed many sole supporting parents in areas such as Elizabeth and Salisbury. The letter continues:

These women are often made to feel much humiliation in bearing the stigma of the taxpayers' wrath in having to pay for others' 'broken marriages'. They see education as their only escape from poverty. It is not only the women of our community who desperately need and want access to education, but the men of our districts who now stand forlornly in the dole queues.

I interpose again—they stand in those dole queues as a result of the scorched earth policy of Prime Minister Hawke, Treasurer Keating and Premier Bannon, and supported by members like the Hon. Ron Roberts and the Hon. Carolyn Pickles. Literally thousands of workers have been thrown on the dole queues as a result of the policies of Labor Governments in Canberra and Adelaide. Not only are they being thrown on the dole queues now, but also many of them are distressed at these changes and this betrayal by the Bannon Government of their opportunity to break the cycle of poverty that confronts them in Elizabeth and Salisbury. The letter continues:

They are not there for being lazy and irresponsible, but are living evidence of the deplorable state of our economy.

Without going through all of it, the letter further states:

It is my most sincere wish to give voice to not only my own personal opinions of the importance of the full continuation of both teaching staff and financial assistance to the school but also, I am sure, of many of my fellow students. Mr Bannon, the Elizabeth West Re-Entry High School has given to me the confidence to make my dream of teaching secondary English and History to one day become a reality—no longer what it used to be, just a dream.

I now quote from another letter—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: It is always the escape route of a scoundrel to say, 'We are bad but you lot are even worse.' I now quote from a note I received from the Elizabeth Field Primary School under the heading, 'The negative impact on our social justice work at the Elizabeth Field Junior Primary School due to the teacher cuts', as follows:

These cuts to disadvantaged schools is another way in which children in poverty are maintained in this current state of being. Poverty is created by systems structures which prevent poor people becoming more powerful and vocal. Here is another systems change which ensures that the currently disadvantaged groups become even more disadvantaged. This suits the needs of the dominant middle classes—they retain their status, they retain their power at the expense of the poor. Two more children in a junior primary class in Burnside will not change the classroom dynamics greatly. Two more children at our school (especially if they have behaviour problems) will ensure the collapse of the classroom structures, minimise the child/parent/teacher relationship, place stress (more stress) on an already overworked teacher. I challenge the decision-makers to take a class of 29 children at Elizabeth Field to know the consequences of such a decision.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: Where? St George—it must be another country. Finally, the letter states:

This decision has ensured that the Government and the Education Department pay lip service to the social justice strategy developed by them . . . The total impact is one of weakening any significant gains we are making to address disadvantage.

As I said previously, I am disappointed that the Hon. Mr Crothers is not here to hear this final letter to the Premier from Inbarendi College which covers a number of campuses in the Elizabeth and Munno Para areas. The author expresses great concern about the effects of the cuts on their schools. The letter states:

These cuts will result in: the loss in total of more than 20 teaching positions, of which about quarter are leadership positions; the loss of approximately 150 hours of ancillary staff time; no Aboriginal studies programs being run in 1991; a reduction in the number of vocational subjects, for example, at year 12—applied electricity, small business management, accounting, legal studies, business education, computing, word processing. There will also be a significant reduction in offerings at year 11; the loss of languages other than English; the loss of the certificate in vocational education course—

I note that after a public outcry and protest by the students, the Government was forced to back off on that cutback. The letter continues:

The loss of dance and performing arts subjects; the loss of programs such as 'Literacy Across the Curriculum' and joint primary/secondary programs such as 'Read Aloud' and 'Primary Strings'; cuts in ancillary services such as preparation of curriculum support materials. Board members unanimously stated that these consequences are totally unacceptable.

As I said, we have received literally dozens and dozens of protest letters, and I have quoted from three complaining about the proposed social justice policies of this Government.

I now wish to refer to Plympton and Underdale High Schools. At Plympton High School, there is a small group of about a dozen students with learning difficulties who are struggling. The school has been able to offer a special course to those students. They call them 'the non-academic kids'. It is a non-SSABSA course, a transition program, to ease them, hopefully, from school into jobs and worthwhile employment in the work force. Their need for education ought not be less than that of those students who want to go on to do medicine or law at the University of Adelaide.

As a result of these cuts, Plympton High School has had to say to these 10 or 12 kids, 'That is the end of your program. That is the end of the special program for the non-academic kids; you will be thrown back into the mainstream classes, and you will be the one or two extra who the Minister of Education says will not have much effect on classes. The special program for you students will stop as of next year.'

At Underdale High School, exactly the same situation has occurred. At Underdale there is a small class for those whom they call slow learners. The teachers at that school have devised a special program for those 10 or 12 students who are having learning difficulties. Again, Underdale High School has been advised that that program will have to disappear in 1991 as a result of the cuts. Of course, in other areas of special education right across the spectrum, young students with learning difficulties will suffer.

I want finally to take a selection of what must be over 100 letters received by Liberal members on the effects of these cuts. The Hon. Mr Elliott talked in general terms about this matter and referred to one or two schools, in particular, Renmark High School, which was his own school. I will refer to a selection of half a dozen or so schools to indicate the effects of the cuts on them and to make the point that anyone who thinks that there will be no effect on the quality of education as a result of these cuts is living in cloud cuckoo land.

I will start with a letter from a student. Some members will have read similar articles in the *Sunday Mail* a week or so ago, where students said that, because subjects had been cut at their school, they were having to change schools to try to get curriculum choice. I guess that the Government would say they were lucky enough to be able to change schools but, if one lives in rural South Australia, one does not have that option. If it is not being provided in the local area school or high school, you have two options: either you hope that your parents win X Lotto and can afford to send you to a private school in the city to board, or you do it by the distance education technique and hope that you can struggle through. This letter is from a young student at Aberfoyle Park High School, and she writes to me in the following terms:

I am writing to you to complain about a year 12 PES (publicly examined subject) being dropped from the 1991 curriculum at

Aberfoyle Park High School. The subject being dropped is geology, and with this action being taken it could influence students' further education, employment, etc., and it will affect most of us, as we had planned on being employed in this section of the work force. There were only six students enrolled in the class, but the subject was PES; but years 8 and 9 subjects are getting a wider choice of language subjects as of next year. I don't think this is very fair, as I consider year 12 to be the most important year in one's schooling, and to have to change a chosen and needed subject should not have to happen.

I have also received a copy of a letter from the Chairperson of the Aberfoyle Park High School, as follows:

The following subjects at Aberfoyle Park will *not* be offered in 1991:

Year 10, Agricultural Science.
Year 11, Business Studies.
Year 11, Leisure Skills.
Year 12, Dance.
Year 12, Workshop Practice.

The following classes have to be amalgamated: economics, small business management and mathematics at year 10 in particular. The letter goes on:

They will also suffer a decrease in NIT (non-instructional time). The effect of this will be that teachers will have to close specialist facilities at lunch-time and withdraw from many very satisfying and rewarding volunteer activities in order to have more time to devote to preparation and marking. Year 12 private study will not be supervised as it was in 1990.

I refer now to Croydon Park High School, as follows:

Year 10: reduce the number of classes in art, design and drama to three instead of the intended five. Reduce the number of home economics classes by one. Possibly not have the additional mathematics and science class.

Year 11: reduce the number of home economics classes by one.

Year 12: reduce the number of business mathematics classes . . . remove legal studies . . . geography and Australian studies from the curriculum. A maximum total of 10 of these students—

there are over 20 affected students there wanting to do those subjects—

may study their subject by open access with in-school tutoring.

The other 10 will either have to find other schools or drop that subject from their subject choice. Dealing now with Nuriootpa High School, I quote from an article in the local newspaper, the *Herald,* as follows:

At a Nuriootpa High School staff meeting last Tuesday it was announced that more than 15 subject classes from year 10 to 12 would be cut or reduced. At the meeting teachers were told subjects to be cut from the school curriculum were: psychology in year 11, classical studies in year 12, school examined geography and school examined accountancy, both in year 12. Subjects which would suffer a drop in classes were: in year 10, drama, agricultural studies, home economics, art and technical studies; in year 11, applied mathematics, earth sciences, biology, physical education and technical staff.

Continuing with the Nuriootpa High School:

In a letter distributed to parents of Nuriootpa High School students, Ms Law outlines the number of subjects to be cut or reduced next year and warns parents that the loss of 6.9 teachers has 'serious implications' for their children. In addition to the subjects outlined for removal or reduction in the *Herald* last week, Ms Law says that 10 to 15 classes of English, mathematics and science subjects will be cut. South Australian Institute of Teachers representative, Jeff Taylor, said teachers were particularly concerned at the possible loss of time allocated to Nuriootpa High teachers for the Barossa Valley Schools Music Program. He said it was a huge cultural loss for the school and was very disappointing.

Let me refer to a school which is near and dear to my wife's heart: the Mintaro Rural School. She is one of its few graduates. I quote from a letter from the Chairperson of the school council to Paul Hewton, as follows:

We, the parents, do not understand why our staff allocation should be cut from 2.7 to 1.6 when we have a decrease in enrolments from 24 to 23 students.

In effect, Mintaro Rural School lost one student but 1.1 of its teaching staff. It ends up with only one and a half teachers. The letter continues:

Twenty-three children in eight school levels—

that is, reception to year 7—

with physical and emotional development ranging from five to 12 years is too much for one teacher . . . The junior primary class may have no supervision, and we consider this unsuitable, particularly for children of this age . . .

Health and safety of children and staff: parents are concerned for the health and safety of children and staff. We believe it is too much responsibility for one teacher to supervise and attend to 23 children, either in the classroom and/or the playground at any one time.

From trying to cope with just four of my own children at any one time, I can certainly sympathise with the fact that it would be a physical impossibility to keep an eye on 23 of them ranging from reception through to year 7.

The Hon. R.R. Roberts: They're not all like yours.

The Hon. R.I. LUCAS: I have no comment on that. The letter continues:

We are 17 km from medical assistance. If only one teacher is in attendance at the time of an accident, obvious complications arise. Mintaro is situated in a high-risk fire zone. Indeed, the Ash Wednesday fire in 1983 actually entered the town (500 m from the school). We also have no reticulated water supply; thus, in an emergency, a lone teacher would have overwhelming responsibilities.

I received a letter from the Risdon Park High School. The Hon. Ron Roberts might be interested to know what it thinks of the Bannon Government. I will not read the whole letter because—

The Hon. R.R. Roberts: I have a copy.

The Hon. R.I. LUCAS: You have a copy, have you? I hope you are supporting the local high school.

The Hon. M.J. Elliott: Read it out.

The Hon. R.I. LUCAS: No, I will just read one or two bits of it, as follows:

Fact: social justice—a hollow expression under these circumstances—requires us to introduce a gifted and talented program for students so identified. We can only do this by reducing our school counsellor load to 1.1, effectively slicing into LAP—

the learning assistance program for young people with learning difficulties—

and work experience and leadership and management time, creating social injustice . . . Let commonsense prevail. Put the human element ahead of the dollar. Regenerate the dynamic, positive relationship between teacher and learner so that Risdon Park High School's motto does not become its death knell.

The letter from Blackwood High School states that the cuts will mean:

A reduction in the availability of teachers for remedial and tutorial work, careers advice and counselling.

Insufficient teacher time for programs such as gifted and talented, camps, drama productions, music productions, etc.

Insufficient teacher time for the enormous workload involved in introducing the South Australian Certificate of Education (SACE).

Goodwood High School's letter states:

With the proposed reduction in teacher numbers, the school must increase the technical studies class sizes to 19 which, in effect, means that three students will need to share specialist equipment with three other students, thus disadvantaging six students in all.

The school is provided with equipment for only 16 students.

The Hon. M.J. Elliott: Plus there are supposed to be rules about class sizes in technical studies areas.

The Hon. R.I. LUCAS: As the Hon. Mr Elliott indicates, there are supposed to be rules. The letter from Mount Compass Area School states:

In 1991, special needs help has been withdrawn from those students who have moderate learning difficulties. This means no extra time from the specialist education teacher. With the extra

students in each class, these people will receive less teacher time than at present.

Bordertown High School parents are angry that year 12 subjects, such as typing, Australian history, art, craft and music will not be taught.

That is only half a dozen, or so, of over 100 letters, submissions or cries for help that have come from various schools throughout South Australia. The effects on schools will be different. In most cases in secondary schools subjects will be cut and in others it will be those additional programs—those additional extras—that add the cream to the cake of what we have been able to do in education here over recent years that will be cut as a result of this decision by the Bannon Government.

As I indicated, I support the motion that we have before us. I just make one plea to the Hon. Carolyn Pickles who has drawn the short straw to defend the indefensible and put the Government line. I know that in the traditional fashion of the Minister of Education and David Lewis that she will have a scripted speech that she will have to read to the Chamber on this issue. I urge her, given what she has heard about the effects on single supporting parents and the disadvantaged in areas, such as Elizabeth and Salisbury, and given her professed concern for the disadvantaged as a member of the left wing faction of the Bannon Government that she throw away that speech prepared for her by David Lewis and the Minister of Education's staff; and does not read from that speech, but responds to these cries for help from the students of Elizabeth and Salisbury and from Port Pirie and the other areas of social disadvantage in South Australia. She should not trot out the Government line that, in effect, all that is being done is that there will be an extra student or so in a particular class. She should respond to these criticisms and to the fact that the subject choices will be removed completely from the curriculum in many of these schools, contrary to the commitments given by her Government before the last election. I support the motion.

The Hon. CAROLYN PICKLES: I oppose the motion and move the following amendment:

Delete the word 'condemns' and insert 'notes',
delete the word 'dramatically',
At the end of the motion, add the following:
Further, this Council notes that:

1. The State Govenment has recognised the dedication and commitment of teachers and acknowledged that they deserved a pay rise.
2. South Australian Teachers are now the highest paid in Australia.
3. The decision of the Teachers Salaries Board to pay teachers at the top of the incremental scale a salary of $38 200 with no phase-in period left a $21 million shortfall in the 1990-91 budget.

The Hon. Mr Elliott began his remarks when he moved his original motion with the statement, 'I move this motion with utmost seriousness.' Seriousness about what? I ask myself political point-scoring maybe, but not about providing a quality education system that is also affordable by South Australian taxpayers. How can we take Mr Elliott's remarks seriously when in his very next breath he resorted to one of the oldest rhetorical tricks in the book: pretending that there are only two alternative explanations for a situation—both constructed by him to paint the worse possible picture. The Hon. Mr Elliott said:

> The people administering education in South Australia are either manipulators of the truth, or incompetent and ignorant as to how our education system works.

He deliberately ignores any other possibilities—for example, the possibility that the situation is exactly as it has been described and the administrators are making difficult decisions in a responsible manner.

The Hon. Mr Elliott made accusations about misinformation and, like the teachers' union, uses the word 'propaganda' to describe material produced by the Government and the Education Department, but 'information' to describe material produced by the teachers' union. I suppose we have to accept as a fact of life that, in situations like this, your own side's material is called information, while your opponent's material is propaganda. However, that is a long way from accepting that only your side should be heard, and any opposing point of view should be suppressed.

The Hon. Mr Elliott seems to support and applaud the teachers' union action in instructing its members to suppress Education Department information and block parents' access to material that presents a different point of view from that of the union. It is a great irony that the Hon. Mr Elliott denies that important principle embodied in the very name of his Party, that, in a democratic society, people should have the opportunity to hear both sides of an argument and the chance to make up their own minds.

The teachers' union has taken a new and unprecedented step in instructing teachers to suppress information that does not support its argument, and in attempting to censor the information that reaches parents. Parents have a right to be fully informed about Government decisions, and the Government has an obligation to give them that information. The teachers' union has no right to prevent parents getting that information. 1984 may have passed chronologically, but it is alive and well in the teachers' union.

I know that a large number of teachers are very uncomfortable about their union's tactics and have ignored the union's instruction and distributed the letter to parents. But there are still some teachers who are being forced by the union, and so some parents are being denied access to the full story. The Hon. Mr Elliott is insulting those parents by supporting the union's attempt at suppression.

The Hon. Mr Elliott did his own fair share of peddling misinformation in his contribution to this debate. He made a cheap and untruthful attack on the Minister of Education when he alleged that the Minister branded certain information given to parents as 'blatantly untrue'. Mr Elliott then added:

> He [the Minister] may just discover that most teachers and principals are not the conniving, lying people he seems to suggest they are (*Hansard* page 2050).

Hansard shows that I interjected at that point, and Mr Elliott responded with the words, 'Have a look at what he said in the paper this morning.' So I did, and sure enough the newspaper for 21 November ran a headline saying, 'Teachers not telling truth, says Crafter'.

But I did what Mr Elliott obviously failed to do. I read the story. I reminded myself that the person who writes the headline is rarely the reporter who writes the story, and, with the best will in the world, the most conscientious subeditor working at speed and under pressure, can sometimes get the wrong emphasis. So I read the whole story. The first paragraph indeed seemed to support Mr Elliott's contention. It said:

> Some information put out by teachers on the effect of teacher job cuts is 'blatantly untrue', according to Education Minister, Mr Crafter.

But, I asked myself, is that an accurate representation of what Mr Crafter actually said? The only part in quotation marks were the two words 'blatantly untrue', and I wondered what Mr Crafter had actually said. So I read on, and, in the third paragraph, Mr Crafter is reported as attacking the teachers' union for misleading the public, and a couple of paragraphs later, his actual words are quoted. According to this very same article that Mr Elliott uses to support his argument, Mr Crafter is actually quoted as saying:

At the same time, the information the union is sending out is misleading, to put it mildly, and in many cases it is blatantly untrue.

So, contrary to what the headline said, the Minister was not criticising teachers. In fact, the Minister has been at pains to state publicly his high opinion of South Australian teachers, as I shall mention later.

The Hon. Mr Elliott seems to have based his argument on selectively quoting inaccurate headlines which he then twists to suit his purpose. A brief glance at the article would have warned him that he was way off-beam. But, members do not have to rely on the accuracy of my quotes; they can check the primary source of my information right now if they wish. The Hon. Mr Elliott could have done so just as easily at the time if he had read the article properly because, immediately after the paragraph I just quoted, the article identified the primary source: the article pointed out that Mr Crafter made those remarks in response to a question in Parliament the previous day. It is really quite a simple matter to look up *Hansard* of 20 November and see what Mr Crafter actually said. It is on page 2001 and it is there in black and white, word for word as the reporter quotes it, as follows:

At the same time, the information the union is sending out is misleading, to put it mildly, and in many cases it is blatantly untrue.

Three sentences later Mr Crafter is recorded as follows:

So, regardless of the facts, the union is disseminating that information. It can only do great damage to the standing of our schools and, indeed, to the professionalism of our teachers who in the main, as I have said, work very hard for students and for schools.

This shows the reliability of the Hon. Mr Elliott's research and of his arguments. He alleged that Mr Crafter called teachers 'conniving' and 'lying'. A brief glance at the source of Mr Elliott's comments reveals that Mr Crafter called teachers 'professional' and 'hardworking', and that has been the case for the past couple of years. Mr Crafter has repeatedly praised the dedication and commitment of our teachers, and the Government has constantly said that teachers deserved a pay rise.

This, of course, has not prevented the Hon. Mr Elliott and the teachers union from accusing Mr Crafter, the Government or individual members of the Government of teacher bashing. I, too, have had many phone calls from teachers regarding the difficulties that they perceive. I have talked to them at great length and never once have I criticised their actions as teachers. I recognise that teachers in this State perform a very vital and important role. As somebody who is married to an academic, although not a schoolteacher, who works long hours very late into the night marking examination papers and setting programs and things for students, I am well aware of the commitment that teachers and academics in this State have towards young people in this State.

So, I do not personally criticise their role as teachers. However, I would like to address some remarks that the Hon. Mr Elliott has made. Even in the letter to parents, which the union is trying to suppress, Mr Crafter was still saying:

The State Government strongly believes teachers deserve a pay rise. We all know teachers should be recognised for the important role they have in educating our children for the future.

The Premier, in a news release dated 12 November, announcing measures the Government would take to fund the pay rise, said:

I want to make it quite clear that the Government is not opposed in any way to teachers gaining pay rises.

In a letter to the editor of the *Advertiser* dated 30 August 1990, well before the Teachers Salaries Board handed down its decision, Mr Crafter said:

The editorial (*Advertiser* of 25 August 1990) rightfully acknowledges that teachers deserve a pay rise.

On 22 August, Mr Crafter announced a revised pay offer and he commented:

It is a generous offer and one which recognises the vital role our teachers play in the education of young South Australians.

A public advertisement in the press of 24 August started with these words:

The Government of South Australia recognises the absolute importance of having and maintaining the best standard of teachers possible for the good of our children and the future of this State. Their job is vital and should be justly rewarded.

This is hardly teacher-bashing, but neither the Hon. Mr Elliott nor the teachers union allows a simple fact like that to get in the way of their argument. This kind of misinformation is characteristic of the whole way this debate is being conducted by the Hon. Mr Elliott. For example, in discussions about how many teachers a school may lose, the fact of the enrolment decline is continually ignored. Everyone knows by now that, because of demographic factors, the number of students has declined by about 45 000 over the past 10 years, and this decline is continuing. The simple fact is that many schools will lose staff because their numbers have dropped. At Renmark High School, the example that the Hon. Mr Elliott gave, I am advised that enrolment decline will account for 3.3 staff in the 1991 school year.

The Hon. Mr Elliott and the Hon. Mr Lucas are also confused about the size of the staffing changes and the amounts of money involved. The reality is that the $60 million cost of the teachers' pay rise has caused an immediate shortfall of $21 million this financial year. No-one could have reasonably anticipated that the Teachers Salaries Board would grant an amount of $38 200 (higher than anywhere else in Australia), nor that it should be paid immediately with no phasing-in. Every other State and Territory and the non-government sector in South Australia had a phasing-in period. The unexpected size of the increase and the requirement to pay it immediately left a shortfall this financial year of $21 million. It is $21 million dollars that has to be found, either by raising revenue through taxes and charges, or from within the finite limits of existing resources by finding savings of $21 million.

The Hon. Mr Elliott's claims over the Government's action to pay for the $60 million pay rise are both misleading and hypocritical. I just wonder where the Hon. Mr Elliott and the Hon. Mr Lucas were during the negotiations leading up to the pay rise. Strangely silent for the most part. Except that I recall a letter from the Hon. Mr Lucas to the Editor of the *Sunday Mail*, dated 24 June 1990, in which he said:

The Liberal Party has supported the need for increased salaries for teachers within the framework of current award restructuring discussions.

I draw attention to the words 'within the framework of current award restructuring discussions.' What did the Hon. Mr Lucas mean when he wrote those words? Surely, the only way that can be read is that the Liberals supported pay rises for teachers, provided that structural efficiency and productivity criteria were met. How come they are opposing them now?

And what about the amount of money involved? In the same letter, the Hon. Mr Lucas said:

Given that the increase in the benchmark salary to $37 200 will cost $36 million, the budgetary impact of an unlimited number of advanced skilled teachers will obviously be an important consideration.

I will not canvass the issue of advanced skilled teachers here because that is the subject of another debate, but I am interested in the first part of the Hon. Mr Lucas's sentence, which said, 'Given that the increase in the benchmark salary to $37 200 will cost $36 million . . .' The Hon. Mr Lucas seemed to accept that $37 200 was an appropriate benchmark.

I remind honourable members that $37 200 was the figure agreed by all Education Ministers as an appropriate national benchmark at a meeting in Melbourne on 1 June. The South Australian Education Minister made a salary offer to the teachers union in line with that benchmark on 20 June, and the Hon. Mr Lucas supported that amount in the letter I have quoted on 24 June. The bottom line is that the Teachers Salaries Board decision left a shortfall of $21 million in the 1990-91 budget. The State Government does not have additional resources to fund this shortfall. The Opposition constantly makes demands for small Government and fewer taxes. Yet, when the Government makes tough decisions to make some savings to pay for the teachers' pay rise without raising taxes and charges, the Opposition hypocritically cries 'foul'.

The Hon. Mr Lucas calls for pay rises based on structural efficiency and productivity principles, but opposes those measures when they are taken. He and his colleagues call for reduced expenditure but oppose moves to contain expenditure. They call for reduced taxes, but want the Government to pay for a $60 million pay rise. I call on the Liberals and the Democrats to spell out how they would find the money to pay for the pay rise. The fact of life is that the Democrats probably will never be in Government and have to make decisions like that, and one hopes that the Opposition will remain the Opposition for many years to come. Perhaps they would cut the bureaucracy.

Public servants comprise only 4.35 per cent of the salaries budget, and even that small percentage is under review from the Government Agency Review. The education building in Flinders Street now has only four floors occupied by education administration. Further, 86 per cent of the Education Department's budget consists of salaries. Perhaps the Liberals would cut the non-salaries areas—capital and minor works in schools, school equipment or school grants. There is very little room for finding savings there, especially considering the Liberal members' constant requests for additional expenditure in that area.

Would they raise extra revenue to pay for the pay rise? They have said on numerous occasions that they want reduced taxes and charges. Maybe they would charge fees. In order to recoup the total teachers' pay rise, they would have to introduce a levy on each student of $350 a year. If they do not want to raise extra revenue that way, what is left that the Liberals or the Democrats could cut—social justice programs such as the disadvantaged schools or special education programs? Perhaps they could knock off school card, which is about $7 million a year. To remove all tier two 'social justice' staffing is worth about $24.5 million a year.

Would they cut training and development programs for teachers? The Government provides about $42 million for professional development support. Would the Liberals ask for more money from the Commonwealth? South Australia's capacity to raise revenue is well below the average of other States and our State is heavily dependent on Commonwealth funding for maintaining services. But Commonwealth grants have been reduced: for the 1991-92 financial year we are looking at a shortfall of $235 million.

Perhaps the Opposition would borrow the money. That would only make the situation worse in the long term. The shortfall would remain in each future year and the Government would need to keep on borrowing to cover it, while the interest bill on funds already borrowed would continue to grow. The Government decided against any of these options. It has made a responsible decision to ask the teachers to help make some of the savings required to fund their pay rise.

It has done this in the current national industrial context where wage rises must be determined in the context of structural efficiency principles as handed down by the Australian Industrial Relations Commission. Teachers have received several pay rises over the past two years giving a total average increase of 26.59 per cent. Mr President, I seek leave to have inserted in *Hansard* a statistical table showing average percentage increases in teachers' pay since 1988.

Leave granted.

TEACHER PAY INCREASES

Effective Date	Average Per Cent Increase
14 March 1988	4
2 September 1988	3
2 March 1989	1.6
6 October 1989	3
6 April 1990	3
11 October 1990	9.64

The Hon. CAROLYN PICKLES: The increases received by teachers were negotiated in that industrial context, but teachers have not yet made any significant productivity offsets. The Government's decision is to pay for the teachers' pay rise by seeking increased productivity in the profession which enjoys the benefits of the salary increases. It will achieve this by making adjustments to the formula for staffing schools and to the levels on non-instruction time for teachers. The decision means that some class sizes will increase and teachers will be expected to spend more time in the classroom.

Class sizes will be tailored to take into account particular circumstances. In fact, 240 of South Australia's 700 schools will not be affected by changes in class sizes, including every small rural school, every junior primary school, a number of area schools and many small primary schools in country and city areas. Even after these changes, South Australia will still have better staff/student ratios than the national average. The changes were necessary to pay for the teachers' pay rise.

The Government supported teachers gaining a pay rise. The unprecedented size of the pay rise and the requirement to pay the whole amount immediately, with no phasing in, left a shortfall this financial year of $21 million. The Government has made a responsible decision—the only responsible decision in the circumstances—to make some savings to help fund that pay rise and to ensure that South Australia's excellent education system remains affordable.

I would like to refer to the Hon. Mr Lucas's cheap remarks about my support for people living in the Elizabeth area. The Hon. Mr Lucas has not made any constructive suggestions as to from where his Party, were it in Government, would make up this shortfall. I suggest that one would not get the funds from people who are needing that money particularly, and that also refers to sole supporting parents, of whom the Hon. Mr Lucas says I have been a champion in the past. That is quite true.

I would not like to see one social justice program cut. I would not like to see one child in South Australia's schools deprived of a decent education. There are other more cre-

ative ways, I believe, whereby the Government can continue to provide an excellent education for all students in South Australian schools, including students in private schools and, at the same time, ask the teachers to make that commitment to assist the Government in providing this education. I urge members to support my amendment.

The Hon. M.J. ELLIOTT: As one would expect, when the Government is in trouble, it sets about greatly distorting arguments; that is precisely what has happened in this Council in this particular debate. In fact, there has been a very gross distortion of what I said in this place some two weeks ago. If it were not for the fact that I think it is important that this motion be attended to this side of Christmas, before the new school year starts, I would have enjoyed the task of going through the debate in great detail and pulling it apart, but most of it is fairly obvious stuff anyway.

The Hon. R.I. Lucas interjecting:

The Hon. M.J. ELLIOTT: It certainly was not a great effort. I was greatly surprised that the Hon. Carolyn Pickles should go in for a dose of union bashing. If there is any one reason why I believe that somebody else must have been behind the pen, it is that I really do not think she would peddle the line that teachers are okay but the union is no good.

The Hon. Carolyn Pickles: That is not the line I used.

The Hon. M.J. ELLIOTT: That is essentially the way the line came across to me. It seems to me the way that—

The Hon. Carolyn Pickles interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: The Hon. Carolyn Pickles certainly seemed to set about trying to say what a wonderful job the teachers were doing and how the union forced them to not send letters home, etc., etc. But I will leave that for the time being because it is really very much a side argument, and I think that is what a lot of it was about tonight anyway—getting away from the major issues.

I was accused of failing to address the question of student decline. If anyone cares to look at what I said they will see that I quite clearly talked about Renmark and the fact that it was losing a certain number of teachers because of student decline. I think I referred to something like another five to be lost—I do not have the exact numbers in front of me—simply because of the new formula. In the debate tonight, it was stated that the loss due to student numbers should have been three—I recall that I said something like 2.5 or 2.7—but I will not argue about that. However, what was avoided was the other five teachers who are being taken from that school.

More importantly (and let us not forget this), to use the excuse of student decline is not on, and the Hon. Mr Lucas made this point also. Quite clearly, 12 months ago, there was a curriculum guarantee. That guarantee stated quite clearly that any subject being offered in 1989 would be available in the schools for the next four years.

It said nothing—no provisos about student decline or anything else were mentioned. It is perhaps worth noting that the one place where student numbers are declining is at senior high schools and that is precisely where the greatest effects of these cuts will be felt. There are great demands for teachers in high schools given the diversity of subjects and often smaller class sizes.

As expected, the pay increase was peddled as the reason, but the argument that I put forward on the last occasion that that reason was not sustainable was not tackled. The excuse given was that the Government needed to find an extra $21 million. The salaries of 20 teachers plus long service leave and other on-costs is equivalent to about $1 million. This means that the $21 million shortfall explains the cut in teacher positions of somewhere between 400 to 450 teachers. The number of positions cut is 795, so at least another 340 positions have been cut which have nothing whatsoever to do with the salary increase, even if one accepts the argument put forward by the Government.

Of course, the Government is saying that teachers should help to pay for the rise in salaries. I certainly do not accept that. What about the 140 teacher assistants who lost their jobs? They have been asked to pay for it as well. That is an absolute nonsense and, once again, no attempt was made to defend the cut in the 140 teacher assistant positions.

Government members talked about Opposition members making continual demands for smaller government. I admit their hypocrisy, but I will not stand up in this place asking for smaller government. I am quite happy to ask for efficiencies in various areas, but it will not be found in the record that the Democrats say there should be smaller government. That is not the Democrats' position and I will not be branded with that particular argument.

In relation to the question of reduced taxes, once again I have not stood up in this place demanding reduced taxes. In fact, in a paper that I circulated following the last budget, I argued that we may have to consider some increases in taxes. I believe that that position is perfectly defensible. South Australia and Australia are, by OECD standards, low-taxing nations. The big con that has been pulled on us in Australia is that everyone is worried about increased taxes, and the ones who are getting away scot free are those who can afford to pay but are not paying at present. If only the Government, in particular the Federal Government which has been pulling back taxes on the wealth, were willing to put them back, most of these problems would not exist.

The Hon. Carolyn Pickles tabled a document today that referred to increases since 1988. This is an old game where one chooses a year that most suits one's argument. I suggest that, if that table gave figures over many years, it would show that teacher salaries have not risen particularly high. People are told that the top salary for a teacher is $38 000. We are talking about teachers who in most cases have degrees and who have taught for 15 or 20 years. Most of those people in the top bracket are probably aged about 40. For a person in that age group with a degree, that sort of salary is not unreasonable. There are certainly a lot of members of Parliament who have lesser qualifications but who are pulling in much higher salaries.

What worries me in relation to a large number of areas, of the Public Service in particular, is this notion of productivity offsets. How can a teacher be more productive? How can one measure increased productivity in a teaching sense? Really, there are not any measures. To suggest that putting extra students into a class would make a teacher more productive is a nonsense. It is quite clear that, for a start, the average time per student declines. In fact, in relation to other aspects of the dynamics of this matter, we could argue that teacher cuts may lead to less productivity rather than increased productivity.

The whole notion of productivity in the area of service provision, unless one can show that absolute waste is occurring, is a nonsense. If it can be demonstrated that teachers stand around twiddling their thumbs and that, therefore, they should take extra lessons, perhaps then it could be said that we could achieve more productivity, but I assure members, speaking as a former teacher, that teachers do not stand around in their spare time twiddling their thumbs: they put in enormous numbers of hours after school and during lunch breaks and so on, and I believe that they are as productive as any worker would be. In fact, the average

teacher would be more productive than any other worker in the work force.

To work with large numbers of students day after day takes extreme dedication. The great majority of those who cannot handle it get out. As in all professions, there is dead wood, and that is obvious in politics. Teachers are a highly productive group and I do not believe that the productivity of teaching can be increased, and the notion should be forgotten. I said before, and I repeat it: from his public statements, it appears that the Minister is manipulating the truth or is ignorant about the way in which schools work. At the time I moved this motion, very few schools had had the time to sit down and calculate what the final effects on their school would be, but it was obvious to me and to them that the effects would be dramatic. Since that time, letters and phone calls have poured into my office. Anyone with any understanding knew that the matter was not as simple as the Minister pretended. He said that each teacher would get an extra lesson per week. That will not happen. The reality is that some teachers will get one extra lesson but others will get five or six extra lessons, because what each teacher will get is an extra class, not an extra lesson.

Very few teachers have free lessons, and the few free lessons available are used to the utmost. The Minister also said that there would be an extra one or two students per class. Once again, that would never have happened. Anyone who understands timetabling (I went through this explanation previously) would know that most classes will not change in size at all. A subject will be axed or, in some cases, two classes will be amalgamated, so two classes of 26 students will increase to one class of 50 students. That sort of thing is what will really happen. The notion of one or two extra students per class is an absolute nonsense. Take the example of a primary school with four year 7 classes, each with 20 students. If one class is cut, every other class will pick up six or seven students. Other classes throughout the school may not be affected, because one teacher will be taken from the school. That is the reality, not each class increasing by one or two students.

The effects that I predicted are now coming true and the letters and phone calls that I am receiving suggest that there will be a substantial loss of subjects in schools. That seems to be happening particularly at the senior level in high schools. In primary schools, it will affect the extra subjects that have only just been introduced, such as language classes, about which the Government boasted. My second prediction was that there would be a dramatic increase in some class sizes. That is happening. The third prediction I made was that there would be a loss of non-curricula activities. I spoke with representatives from a school which is cutting out half its sporting activities outside school hours or those activities which involve student travel. Some will have to cut out work experience for some year levels. Others will make dramatic cuts in counselling. I made those three predictions because it was obvious what would happen.

The Minister tried to say that it would be a simple matter without major effects. I said that he was either manipulating the truth or is ignorant, or that his advisers are manipulating the truth or are ignorant, and I stand by that statement. If the Minister is getting bad advice, he should sack people first, those who are giving him advice. In any event, it is quite clear what the Minister's position is, and the Government's response today has not tackled the question that the pay increase does not justify the cut in teacher numbers. It does not justify it in any way.

The Hon. R.R. Roberts interjecting:

The Hon. M.J. ELLIOTT: Where do I get $63 million? Do I have to run through it again? The extra $21 million, or the surprise $21 million, as the Government calls it, accounts for 400-odd teacher positions. The other 340 positions have nothing to do even with the Government's own excuse—nothing to do with it whatsoever—nor do the 140 assistant positions have anything to do with that $21 million. It is quite clear that the cuts were already planned before the event and that the pay increase was simply the excuse.

The Hon. Anne Levy: Nonsense!

The Hon. M.J. ELLIOTT: It is quite clear. What other reason would the Government have for cutting twice the number of positions that even the pay increase justified? In fact, the full year increase is $23 million—the $21 million was backdated—and that also is because of the Government's intransigence. It is worth noting that this pay increase was arbitrated—something that I thought the Government would have supported. The teachers had previously been negotiating for a phased-in pay increase, as had been achieved in other States. However, arbitration gave it immediately. In any event, that only accounts for the fact that this year's increase is fairly close to the full year increase of about $23 million. Although the South Australian teachers' salary is the highest in the nation it is by a bare $200; it is not so far outside the realms of what could have been expected that this $21 million should be such a surprise.

I do not find what the Government has done acceptable; it has not justified it in arguments put forward today. I can assure the Council that the teachers and, parents to whom I am speaking are very angry. I know that Mr Bannon and Mr Crafter found that out when they went to the SASO meeting, which I think was held on Monday of last week. A great deal of anger was expressed at that meeting, and that is only the half of it, because next year, when the students arrive back at school and the parents find out that Johnny or Sally cannot do the subject that he or she needs to do to go on with their future plans, they will be a whole lot angrier. If they remember the promise that was made only 12 months ago about the curriculum guarantee, confidence in the Government will be totally destroyed in this area of education. I urge the Council to support the motion.

The PRESIDENT: The question before the Chair is that the amendment moved by the Hon. Ms Pickles to leave out 'condemns' and insert 'notes', be agreed to.

The Council divided on the amendment:

Ayes (8)—The Hons T. Crothers, M.S. Feleppa, Anne Levy, Carolyn Pickles (teller), R.R. Roberts, T.G. Roberts, G. Weatherill and Barbara Wiese.

Noes (11)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, M.J. Elliott (teller), I. Gilfillan, J.C. Irwin, Diana Laidlaw, R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Pair—Aye—The Hon. C.J. Sumner. No—The Hon. K.T. Griffin.

Majority of 3 for the Noes.

Amendment thus negatived; motion carried.

The PRESIDENT: The next question is that the amendment moved by the Hon. Carolyn Pickles to leave out the word 'dramatically' be agreed to.

Amendment negatived.

The PRESIDENT: The next question is that the words proposed to be inserted by the Hon. Ms Pickles at the end of the motion be so inserted.

The Council divided on the amendment:

Ayes (8)—The Hons T. Crothers, M.S. Feleppa, Anne Levy, Carolyn Pickles (teller), R.R. Roberts, T.G. Roberts, G. Weatherill and Barbara Wiese.

Noes (11)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, M.J. Elliott (teller), I. Gilfillan, J.C. Irwin, Diana Laidlaw, R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Pair—Aye—The Hon. C.J. Sumner. No—The Hon. K.T. Griffin.

Majority of 3 for the Noes.

Amendment thus negatived; motion carried.

SRI LANKA

Adjourned debate on motion of Hon. I. Gilfillan (resumed on motion).

(Continued from page 2624.)

The Hon. R.I. LUCAS (Leader of the Opposition): It is unusual for members of State Parliaments to be addressing significant issues of a foreign affairs nature as quite properly they are part and parcel of the Commonwealth jurisdiction and generally are debated in the Federal Parliament. In my eight years I can recall perhaps two or three other motions that we have been asked to consider and, I think in the main, the view expressed on the various issues raised has been the unanimous view of the various Parties in this Chamber.

Personally, I do not oppose the right of any member raising issues like this for debate in the Legislative Council. However, I guess it is always a question of where, in the end, you draw the line. We identify abuses in Sri Lanka, and there are many other trouble spots in the world that could equally be addressed by a similar motion in this Chamber. In a state of levity one of the Labor members and I did discuss the possibility of perhaps moving a motion at one stage that we, in the Legislative Council, do oppose all civil rights abuses anywhere in any country at any stage and at any time, to cover all such notions.

I guess that all members in this Chamber, whether Liberal, Labor or Democrat, do not support human rights violations or abuses of civil liberties in any countries of the world that might be so identified. One of the problems is the *ad hoc* way that we approach it. I suppose that *ad hoc* way results from the fact that it depends on an individual member, having received a lobby on an issue or an area or being concerned about a particular area over and above all other areas, bringing a motion before the Council. Those are just a few wandering comments about why we are where we are, and now I should address the substance of the motion, as will all members.

The Liberal Party is disturbed by reports of clear instances of human rights violations by both Government forces and the Tamil Tigers in the ongoing seven-year war. We are also concerned about reports, such as the one in the *Sydney Morning Herald* on 13 November, which says that the Hawke Government is continuing to export defence equipment to Sri Lanka despite the human rights situation there.

The Federal Liberal and National Party Coalition has proposed, through the Federal spokesperson, Senator Robert Hill, that a Commonwealth working party should be established to help negotiate a ceasefire. That working party, if the Commonwealth could contribute to monitoring a ceasefire, could explore the possibility of a Commonwealth role in peace talks, offer to help warring parties by identifying changes that might be necessary to obtain a lasting peace, and examine what help Sri Lanka would need for economic reconstruction if the civil war could be stopped some time in the near future. I want to quote briefly from a press statement by Senator Robert Hill of 3 December this year. Under the heading, 'Hill urges more support for Opposition Sri Lanka peace plan', it states:

> The shadow Minister for Foreign Affairs, Senator Robert Hill, today urged the Hawke Government, aid organisations and a key Commonwealth group to lobby for the adoption of a Federal Opposition peace plan to end the civil war in Sri Lanka. Senator Hill said the Government and non-Government aid organisations should be urging Commonwealth countries to write to Sir Lanka's President, Premadasa in support of the Opposition's peace proposal. He hoped the meeting of the Commonwealth High Level Appraisal Group in London in January 1991 would seriously consider the proposal as an area of possible Commonwealth involvement.

The Australian Government, through Senator Gareth Evans, has taken up this proposal, and both Prime Minister Hawke and Senator Evans have said that they see merit in this proposal. In recent months, both the Sri Lankan Government and the Tamils have endorsed some external mediation of the conflict in Sri Lanka. I also note from Senator Hill's press release of 3 December his statement that 'Tamil and Singhalese communities in Australia and non-Government organisations, such as the Australian Council for Overseas Aid, had endorsed the plan as constructive'.

Recent reports of fierce battles, such as that at Manakulam Army Camp, in which 400 people died, show the unnecessary cost in lives caused by the conflict. In fact, the estimated death toll in fighting since June is a horrifying 4 800 people, which includes many hundreds of civilians.

The Liberal Party has concern about the treatment of the Muslim minority which lives in the northern and eastern areas of Sri Lanka. Reports that Muslims were driven from Mannar Island by the Liberation Tigers of Tamil Eelam (LTTE) do nothing to further the Tamil cause. It is most distressing to hear of one minority persecuting another minority when there is need for dialogue and an exchange of viewpoints.

The Sri Lankan Government security forces also are to be condemned for their abuse of human rights, as documented by bodies such as Amnesty International. The Federal coalition has also called on the Sri Lankan Government to institute a full investigation of these abuses and to urge it to take appropriate action to prevent further violation of the rights of its people. The cost of the war is also a tragedy in itself. On 3 November President Premadasa said that Sri Lanka had suffered losses of up to an estimated 9 000 million rupees or $6.7 million.

In talking about the costs of the civil war, I want to refer briefly to a speech given by Senator Hill again on 3 December 1990 headed 'Sri Lanka—a Commonwealth role?' Talking about the losses to the country and what might occur after a potential stop to the conflict, he stated:

> These losses encompass not only damage to property, transport and various utilities, but damage to industry, including the tea industry and the agricultural and mining sectors. In addition, vast amounts of money are being spent on defence, money which could be directed to other social and economic projects if the conflict were to cease. Sri Lanka remains one of the most militarised nations in South Asia. Sri Lanka will face other economic burdens as well. The Gulf crisis means that Sri Lanka's 100 000 migrant workers in Kuwait are returning to a country where there are few jobs; the oil import bill will rise; and Sri Lanka has lost 20 per cent of its tea export market as a result of the sanctions against Iraq. Sri Lanka is already one of the world's 20 poorest countries and unless the conflict ends, the position is likely to further deteriorate. Once the conflict does cease, there is room for some optimism about Sri Lanka's potential for economic growth.

That brief quote of the speech by Senator Hill on 3 December indicates some of the tragic costs of the seven-year civil war that exists in Sri Lanka. The Liberal Party in the

Legislative Council is willing, for the reasons I have just outlined and because this motion is broadly consistent with the position adopted by Senator Hill on behalf of the Federal Liberal Party in relation to the treatment of the problems in Sri Lanka and a possible mechanism for resolution of that conflict (and we agree with the views of Senator Hill), to support the motion.

The Hon. I. GILFILLAN: I thank members who contributed to the debate and supported the motion. I look forward to reading the Hon. Mr Feleppa's contribution. Unfortunately, I was not present to hear it. I am grateful for his contribution, and I appreciated the Hon. Rob Lucas's contribution. I do understand the point raised by the Hon. Rob Lucas in a slightly facetious tone, but I think significantly, that we could perhaps pass a global motion which would cover all exigencies for all time and just refer to it and salve our consciences from time to time.

It is a daunting task to attempt to select what international areas of concern we should address specifically by way of motion. I have been directly involved in moving only two—this one and previously on the assassination of Benigno Aquino in the Philippines, when a motion deploring that action was successfully carried in this place.

The Hon. T.G. Roberts: And Mandela.

The Hon. I. GILFILLAN: Yes. The special pleading of this motion relates to Amnesty International and as I said in my introductory remarks, I think there is very good reason and justification for heeding Amnesty's requests for particular attention to particular areas. The support of this Chamber for this motion indicates that other members share that view with me. On behalf of Amnesty, which I know will be gratified by the apparent decision that the Chamber is about to make, and on my own behalf as mover of the motion, I am grateful, and I look forward after this motion is passed to moving that it be transferred to the House of Assembly so that the whole Parliament has a chance to express support for it.

Motion carried.

The Hon. I. GILFILLAN: I move:

That a message be sent to the House of Assembly transmitting the foregoing resolution and requesting its concurrence thereto.

Motion carried.

COUNTRY RAIL SERVICES

Adjourned debate on motion of Hon. Diana Laidlaw:

That the Legislative Council:

1. Deplores the decision by the Commonwealth Minister for Land Transport to close South Australia's regional rail passenger services by the end of the year;
2. Believes the decision to be in breach of section 7 and section 9 of the Rail Transfer Agreement 1975;
3. Seeks clarification from the Commonwealth Government about the fate of our regional rail freight services;
4. Calls on the State Government—
   (a) to employ all possible legal avenues to ensure South Australia is not reduced to being the only mainland State without regional rail services; and
   (b) to investigate and confirm the long-term options for ensuring regional and rural areas of South Australia have access to efficient and effective passenger and freight transportation services in the future,

which the Hon. R.R. Roberts had moved to amend as follows:

Paragraph 2—Leave out this paragraph.

Paragraph 4 *(b)*—Leave out paragraph 4 *(b)* and insert new paragraph as follows:

4 *(b)* to continue to investigate the long-term options to ensure regional and rural areas of South Australia have access to efficient and effective passenger and freight transportation services.

(Continued from 5 December. Page 2323.)

The Hon. I. GILFILLAN: There can be little doubt in anyone's mind as to the crisis facing rail services in this State. Historically rail has played an integral role in the development of South Australia and indeed of the nation as a whole. For the first half of this century rail, along with shipping, was the basis on which both passengers and freight crossed from coast to coast and city to city. For those in the remote areas of the State, rail was the lifeline that stretched across our harsh interior, bringing much needed supplies, carrying family and friends from other distant outposts and transporting vast quantities of grain and produce from farming communities spread across the State.

In 1975 the future of rail seemed assured, and it even appeared that rail was on the verge of a new age of expansion, as the Federal Labor Government of Gough Whitlam unveiled grand, new plans for a truly national rail network.

South Australia's rail network at that time was struggling. Little had changed for decades and the prospect of our intrastate passenger and freight services being taken over federally, along with the financial burdens it imposed, was welcomed. As a result, the Rail Transfer agreement was signed between our State and Federal Governments. Fifteen years later the spirit and intent of the agreement is being undermined by the national rail authority, Australian National, in conjunction with a vapid State Government offering meaningless platitudes of apparent concern whislt in reality aiding and abetting the demise of rail in this State.

South Australia is poised to become the only State left on the Australian mainland without country passenger rail services, a move that will put this State on a par with third world countries, such as Peru and Bolivia, as one of the few places left in the world without such a resource. All this at a time when the Premier proudly announces his intention to strive to make Adelaide the transport hub of Australia and the headquarters of the National Rail Freight Corporation.

The current state of our intrastate rail services, under the management of Australian National are, without doubt, in contravention of section 7 of the transfer agreement. That section clearly provides:

> . . . the non-metropolitan railways shall be operated . . . in accordance with standards in all respects at least equal to those obtaining at the date of this agreement, and . . . to ensure standards of service and facilities at least equivalent . . . to those at any time current in respect of the remainder of the Australian National Railways and the railways of States other than South Australia.

I repeat: 'the railways of States other than South Australia'. With the pending closure of all country passenger services and the hundreds of kilometres of grain freight lines already closed and ripped up, any claim by AN management or members of the Government that the agreement is not being breached is farcical.

As to section 9, dealing with the right of the State Transport Minister to take matters relating to line closures to arbitration, the concern is that we have a Transport Minister who time and again has demonstrated a lack of genuine commitment to stand and fight for rail in South Australia. The Minister has consistently failed to go into bat on behalf of the beleaguered citizens of rural South Australia who are reliant on the maintenance of proper rail services. He has hidden behind a convenient mis-interpretation of clauses within the transfer agreement to abrogate his responsibilities to ensure the proper continuation of rail in South Australia.

The fact that we in this council are now debating the motion before us and that a select committee exists to investigate AN's handling of rail in South Australia—and it was as a result of my motion that the select committee

was established with the support of the Opposition and in spite of opposition from the Government—is testimony to the crisis facing our rail services and the failure of the Transport Minister to carry out his duties in accordance with the provisions of the transfer agreement.

Once again, I must state that the Democrats have also received legal opinion on the transfer agreement and its implications for the State Government. That opinion states that the purpose of the Act does not override the duty of the State Government to the people of this State to ensure all services are maintained to an acceptable level. That applies equally to services that may have been introduced after the signing of the 1975 agreement, because of the intention of the agreement. The Government cannot escape that, no matter what evasive argument it may attempt to develop.

Everything that has happened to our rail services in the past year is in breach of the Act and the Government must fulfil its obligation and fight every step of the way. It must not allow itself to become the puppet of Australian National financial management, but serve the proper interests of electors of South Australia. In closing, I indicate that the Democrats enthusiastically support the motion before us from the Hon. Diana Laidlaw and reject Government attempts to delete or change any part of that motion.

The Hon. DIANA LAIDLAW: I thank members for their contribution to this motion, which I moved on behalf of the Liberal Party, to deplore the actions by the Commonwealth Government, particularly the Commonwealth Minister for Land Transport, to close our railways. The motion has received enthusiastic support from the Democrats, and I thank the Hon. Mr Gilfillan for his speech. I note that, unlike its position on the establishment of a select committee to look at country rail services, the Government supports this motion in part. The Government is prepared to support paragraph 1, which states:

> Deplores the decision by the Commonwealth Minister for Land Transport to close South Australia's regional rail passenger services by the end of the year.

However, the Government seeks to amend the motion by deleting paragraph 2, which states:

> Believes the decision to be in breach of section 7 and section 9 of the Rail Transfer Agreement 1975.

I am very heartened to hear that the Australian Democrats will not support that amendment. Like the Democrats, the advice I have received is that the decision is in breach of those sections of the agreement. I know that that is not the advice that has been received by the Government in this matter, so we will differ on that point.

It is particularly disheartening that the Government is prepared to deplore the action but, when it comes to taking strong steps against the measures being pursued by the Federal Government and AN in respect of our railways, it is a toothless tiger, it is mute. That is why, in two weeks, if the Federal Minister for Land Transport keeps to his deadline, there will be no intrastate passenger rail services in this State, and we will be the only State in that position.

It is interesting to look back to 1975 when the grand vision of the Whitlam Labor Government was to negotiate similar arrangements with all rail authorities. At that time, only the Labor Governments in Tasmania and South Australia accepted the arrangement. Now, Tasmania has no intrastate passenger services and it appears that, by the end of the year, nor will South Australia. I stress the point that I am very heartened to think that the other States did not give in to the Whitlam Federal Labor Government at that time because, had they done so, no State in this vast country in which we suffer a tyranny of distance may have had intrastate passenger services. Given the threat facing intrastate freight services, by the end of next year South Australia may have no intrastate freight services other than the Gawler-Angaston line.

That has all happened within a mere 15 years and yet the State agreed—and former Premier Dunstan has reaffirmed this in public statements in recent weeks—that this sale was undertaken with goodwill. Certainly, a handsome exchange of money took place. The agreement, which passed both the Federal Parliament and this Parliament, was not only negotiated with goodwill on the part of the South Australian Government at the time but it also contained clauses which insisted that South Australia should thereafter be part of the decision making in respect of the maintenance of lines and, certainly, any steps taken by AN to reduce or close services.

It is quite apparent, in hindsight, that those clauses have not been honoured by the Federal Government, nor pursued actively by the State Government. Therefore, I am very pleased tonight—although the circumstances are very sad—that this motion will pass unamended. I indicate that I am pleased to see that in respect of paragraph 4 *(b)* the motion will continue to read as follows:

> to investigate and confirm the long-term options for ensuring regional and rural areas of South Australia have access to efficient and effective passenger and freight transportation services in the future.

It is no good just 'continuing to investigate', as Government members would wish us to amend the motion to read because 'investigate' is something that Governments and bureaucrats do repeatedly, but we seem to be making no progress in this State; in fact, we are going backwards. As legislative councillors in this State, who have a responsibility to represent the whole of the State, the least we can demand of this Government is that country people have some idea of the long-term options in respect of passenger and freight transportation services in regional and rural areas of the State, whether they be road, rail or air services, and what form they will take.

Finally, I was very disheartened by the response that I received to questions that I asked of the Minister of Transport on 22 November, about regional rail passenger services. I asked: 'As there is no provision in the Rail Transfer Agreement for the appointment of an arbitrator, does the Minister envisage that he will have a role in the appointment of this arbitrator or that the decision will be made solely by the Federal Government? Also on that day I asked the Minister: 'As there is no provision in the agreement for the resolution of a deadlock, if and when the State and Commonwealth Governments cannot agree on the appointment of an arbitrator, does the Minister envisage that a deadlock on this matter could mean that there would be delay in resolving the decision by the Federal Minister to close the line and that that delay may be interminable?'

It is clear that, even in respect of this opportunity provided by absence of specific provisions in the Rail Transfer Agreement, our Minister is not even prepared to use those measures to fight for the interests of this State by frustrating the actions of AN and the Federal Government to close our regional passenger services by the end of the year.

It is quite clear that the Minister has an opportunity to protest at the appointment of an arbitrator and to delay the actions of the Federal Government accordingly. I am most disheartened, as is the Liberal Party, and from his comments I trust that the Hon. Mr Gilfillan is also disheartened, that the Minister is not pursuing this course of action. His actions to date confirm that he has had no will and no incentive to fight for the interests of country people or for

the State in general in relation to our regional and rural rail services.

The Hon. R.R. Roberts' amendments negatived; motion carried.

EDUCATION ACT REGULATIONS

The Hon. M.J. ELLIOTT: I move:

That the regulations under the Education Act 1972, concerning senior positions, made on 25 October 1990 and laid on the table of this Council on 25 October 1990, be disallowed.

In view of the lateness of the hour, I will not speak at great length on this motion. Initially, the Government had regulations relating to the appointment of seniors that allowed for a number of positions for seniors to be fixed by the Minister. That stood until December 1989, after which time the regulations were amended in light of the creation of several new senior positions, in particular, advanced skill teachers, key teachers and coordinators.

At that stage, the regulations still simply allowed for the fixing of a number of senior positions, but there was no fixed number for the others. In October, there was a further amendment to the regulations, and it is these regulations that I move to have disallowed. They set about limiting the number of key teachers and advanced skill teachers, as well as limiting the number of seniors. That move has caused a great deal of concern, because the whole notion of the advanced skill teachers is, as the name suggests, that they are teachers of great skill.

This notion has been around for some time. It has been noted that many people in the Education Department with some seniority, great experience and great ability have nowhere to go in terms of promotion as things now stand. It was felt that there should be some inducement to these highly competent teachers, and that they can be used in many ways in the system to assist other teachers. The expectation quite clearly was, even when I was teaching some five years ago, that one would achieve that position on merit. Whereas one went from one step to another—as an ordinary classroom teacher people expected to advance one step up the rung each year until they reached the top salary level, and that happened with seniority—one also advanced up the rung somewhat if one had certain qualifications. But, finally, people came to the end.

The advanced skill teachers were seen as a position beyond that which was to be available not simply because a teacher had been in the system for a long time and not simply because a teacher had qualifications but because, as the name implied, the teacher was a person of high skills. In the amendments to the regulation the Government set about to try to limit the number of advanced skill teachers, and it really does make a nonsense of the whole notion and certainly goes against the original proposals which led to its setting up.

An impasse has been reached between the Government and the Institute of Teachers in negotiations over this issue. At this stage there may not be a final determination until April next year. There is no absolute undertaking as to what will or will not happen in relation to this. I know that the Institute of Teachers is concerned that this particular part of the regulations is not being enforced at this stage, and I share that concern: it is for that reason I am moving this motion to disallow the regulation. The Government came up with a list of problems it said would be created when in fact problems will not be created at all; all that is required is a minor alteration to regulation 58 (2) where the advanced skill teachers are not mentioned in terms of the fixed number of positions. The reality is that the Government does have some control over the situation already. A fixed number of positions really goes against the whole notion of the advanced skill teacher. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

LAND AGENTS, BROKERS AND VALUERS ACT

Order of the Day, Private Business, No. 9: The Hon. M.S. Feleppa to move:

That regulations under the Land Agents, Brokers and Valuers Act 1973, concerning education programs, made on 30 August 1990 and laid on the table of this Council on 4 September 1990, be disallowed.

The Hon. M.S. FELEPPA: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

UNIVERSITY OF SOUTH AUSTRALIA

The House of Assembly transmitted the following resolution in which it requested the concurrence of the Legislative Council:

That this House resolves that an address be forwarded to His Excellency the Governor pursuant to section 10 (3) *(b)* of the University of South Australia Act 1990 recommending the appointment of Mark Kennion Brindal and Murray Royce De Laine to the first council of the University of South Australia.

LOCAL GOVERNMENT ACT AMENDMENT BILL

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

Consideration in Committee of the recommendations of the conference.

The Hon. ANNE LEVY: I move:

That the recommendations of the conference be agreed to.

In moving the motion, I should like, without taking up a great deal of time of the Committee, to make a few comments, as it is important that they are on the record. The conference arose from amendments—one of the amendments and not the other—that had been moved following an instruction to the Committee which enabled the consideration of matters that were in no way related to the matters covered by the Bill as introduced by the Government or, indeed, as the Bill left this Council.

In the light of that, it is important to note that this matter was discussed in the conference and as well as the formal agreements which the Committee is now considering regarding the amendments, there was also an understanding and a commitment given that no future amendments to the Local Government Act would have instructions given to the Committee so that matters relating to the minimum rate could form part of any such legislation. This agreement not to attempt to change the minimum rate provisions of the Act would apply until there was legislation resulting from the negotiations between State and local governments which are to occur over the next 18 months.

It is certainly expected that a good deal of legislation will result from those negotiations but, as I say, the commitment was given that there would be no instructions to amend the provisions of any such Bills or any that come before the Council prior to negotiations (and already there are two on the table to be discussed next February) regarding minimum rates. To this extent, there is certainty for councils that this matter will not be tampered with again until or unless changes arise as a result of the negotiations.

I am very pleased that the conference agreed to maintain the 35 per cent of assessments as the maximum possible proportion under minimum rates, as this figure was arrived at after a great deal of negotiation two and a half years ago and, indeed, two of the members of the conference were members of that original conference and well recalled the arguments and the hard bargaining that took place at that time.

Certainly, the Government remains committed to in no way increasing the burden on poor people in the community, because any minimum rate means that people with the lowest valued properties—who tend, of course, to be the poorest in the community—are paying more in the dollar on their property than those who have more valuable properties. Any minimum rate paid to local government means that the poorer members of the community are subsidising the richer members of the community in that they are paying more than their proportionate share.

For this reason, the less reliance on the part of councils for the minimum rate, the more equitable is the distribution of the rate burden. As I have said, the 35 per cent remains untouched. It is appreciated that some councils are having problems achieving that target. An increasing number of councils are moving to the alternative situation of having an administrative charge, which is a flat charge across all assessments and which takes account of the actual cost of administration of the council, with a purely progressive rate on top of that based solely on property values. To the extent that more and more councils are moving in this direction, this will ease considerably the burden of those councils which find that achieving 35 per cent of assessments on the minimum rate is difficult.

It was mentioned in the debate in another place that—and I think it is worth recording in *Hansard*—on the latest information available, of the 93 councils which indicated the proportion of their assessments on minimum rates in the previous financial year, 57 have already achieved no more than 35 per cent on minimum rates—that is the overwhelming majority. Of the 36 that have not yet achieved the 35 per cent, they are reducing their reliance on the minimum rate with each successive year, and only 14 of those currently have more than 50 per cent of assessments on minimum rates, and those 14 are only very slightly above the 50 per cent figure.

Extending the time by which the 35 per cent on minimum rates must be achieved will give those few councils—14 that we know of—the extra time to achieve the target set out in the legislation. Whilst I had hoped that they would achieve the target earlier—as, indeed, many councils have, well before the time which is currently the law—by extending the time for a further two years, these 14 councils will have extra time to achieve the target. As the House of Assembly has agreed to drop the amendment relating to the time in which an expiation fee must be paid, it is probably unnecessary to comment further on this matter, certainly at this time, as the will of the Legislative Council prevailed in that case.

I appreciate the seriousness with which all members, both in this Council and in the other place, approached the negotiations in the conference and, whilst debate might have been lively, it was certainly never frivolous, and we dealt in a very comprehensive manner with the issues before us.

As I said earlier, I particularly welcome the assurance that there will be no further attempts by means of instruction to the Committee of the whole to amend the minimum rate unless legislation specifically to amend the minimum rate provisions arises from the negotiations which will take place between State and local governments. I support the recommendations.

The Hon. J.C. IRWIN: I agree with the Minister's summation of the conference, which was conducted in good spirit with very sensible consideration of the amendments and discussion of the matters involved, eventually arriving at a compromise. As I and other members have said before, it strengthens my view of the bicameral system that legislation has to go through two Houses, three readings and, sometimes, a conference. It gives people a chance, at some stage through that process, if they have not known about the legislation beforehand, to lobby members of Parliament and Parties on their stance on various issues. If in the final analysis we reach a deadlock, cool heads can sort out a compromise.

A compromise is not always acceptable to everyone, but that is the nature of the word. The Opposition is reasonably happy with the process that has got us here tonight. We have reached the end of a fairly lengthy discussion of the first amending Bill with respect to local government this year. Some Opposition amendments have been well accepted by the Government and further amended to improve them, and we are happy with the result. The Opposition supports the conference decision and, therefore, the recommendations before the Committee.

Although the Opposition moved in this place the amendment relating to the minimum rate, I acknowledge that it was the other place which successfully moved the inclusion of the 50 per cent measure and the amendment relating to the time frame for payment of expiation fees. I will not go through the minimum rate argument or the Minister's reply to it, because it has been well canvassed. On behalf of the Opposition, I support the compromise relating to amendment No. 9, where the time for achieving the 35 per cent minimum rate level has been extended by two years to 1993-94. I believe that this is an important date for two reasons.

First, it gives local councils more time to plan their rate arrangements; and, secondly, it takes the date for achieving the 35 per cent minimum rate limit beyond the period where local government is locked into heavy and serious negotiations with the Government on the new arrangements pertaining to local government. At least that much was achieved, and with some measure of success for local government. I strongly support the Minister's new found enthusiasm for encouraging local government to negotiate what it wants over the next 18 months.

The Hon. Anne Levy: My new found enthusiasm? I announced it in August.

The Hon. J.C. IRWIN: The Minister was totally opposed to local government deciding for itself what it wanted with respect to minimum rating. That was only two years ago, and that is only one example. The Government screwed councils down to 35 per cent and, when there was a chance in this place to lift it to 50 per cent, the Minister would not accept it. That is not in the spirit of letting local government decide what it wants over the next 18 months.

The Hon. Anne Levy: That is from someone who has not consulted with them.

The Hon. J.C. IRWIN: I am terribly sorry, Minister: that is quite inaccurate, and I will come to that in a minute. Local government never wanted the demise of the minimum rate and the Liberal Party has always supported it in that argument and, in fact, in most of its arguments about what it wants in the general structure for its own benefit; hence, our enthusiasm to move as we did to relax those rules that have now been re-amended.

We have accepted amendment No. 9, relating to the time to pay expiation fees not proceeding. Of course, local government would want a short time frame to pay expiation fees, just as those of us who get caught want a lengthy time frame to pay expiation fees. Then, local government does not face the odium of setting the time frame, anyway; the Government does that here. The Government, in this case, is removed from accountability. We note that when the Government sets other expiation fees, where it is accountable, the expiation time frame is usually much longer than 21 days. I will not go through that argument, but there were a number of cases recently where expiation fee time frames were up to 60 days. It was part of the discussion, although it was not documented in the conference, that we believe there should be some move to uniformity in the expiation fee time frame.

The Minister criticised me in comments tonight and has previously levelled criticism at me and the Opposition regarding the lack of consultation with the Local Government Association. After the ususal two week consultation period, which I suppose is normal for new legislation coming from the Government side, the Local Government Association was consulted on this legislation by me and by a number of other people.

The Hon. Anne Levy: You didn't consult on the registers.

The Hon. J.C. IRWIN: I have at all times kept the Local Government Association informed by providing copies of all debates, and all the amendments were faxed to the association about seven or eight days before they were debated. I also gave them to the Minister—apart from two—well and truly before the Committee stage. I have never once had a communication from the Local Government Association saying that it did not accept the amendments, or did not accept anything that we discussed at the Committee stage.

The Hon. Anne Levy: They rang me asking for changes.

The Hon. J.C. IRWIN: Well, they didn't write to me or speak to me at all, yet I was the one who kept them informed. I wonder if you did.

The Hon. Anne Levy: I consulted them long before I brought anything in.

The CHAIRMAN: Order!

The Hon. J.C. IRWIN: What about the Building Act? There was very little consultation on that.

The Hon. Anne Levy interjecting:

The CHAIRMAN: Order! The Hon. Mr Irwin will address the Chair.

The Hon. J.C. IRWIN: That has all been settled. I constantly find, when I consult on behalf of the Opposition, that the Government has not consulted or, if it has, it has been very selective.

The Hon. Anne Levy: That's absolute—

The Hon. J.C. IRWIN: I have made the point about the Building Act. What did you do about the Metropolitan Fire Service? Tell me how much you consulted with them.

The Hon. Anne Levy: There was a two-year—

The Hon. J.C. IRWIN: There is an avalanche of absolute horror coming through to me on that. I am well aware of the difficulties in consulting with the Local Government Association because of its widespread membership. I know as well as anyone that it is difficult for the association, once it knows what we are proposing or what the Government is proposing, to go through the process of consulting its membership, because of its widespread nature and the lengthy period of meeting procedures that it has in each area, to get back to, perhaps, the Secretary-General and then to pass on information to us. However, anyone with any experience knows the hothouse conditions that exist in Parliament once a Bill has been introduced. Allowance must be made for decisions that have to be made on the run, so to speak.

I take this opportunity to thank my colleague the Hon. Diana Laidlaw for her help in taking the amendments through the Committee stage while I was unavoidably away last week.

[*Midnight*]

The honourable member can be justifiably proud of the improvements in this Bill she achieved on behalf of the Opposition and for local government. As I said before, the Opposition is generally as content as an opposition can be with the amendments, and I support the recommendations before us.

Motion carried.

OCCUPATIONAL HEALTH, SAFETY AND WELFARE ACT AMENDMENT BILL

The House of Assembly intimated that it had agreed to amendments Nos 4 to 11, had disagreed to amendments Nos 1 and 3, and had disagreed to amendment No. 2 and made an alternative amendment.

SENIOR SECONDARY ASSESSMENT BOARD OF SOUTH AUSTRALIA ACT AMENDMENT BILL

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

BUILDING ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

BUILDING SOCIETIES BILL

Returned from the House of Assembly with an amendment.

ADJOURNMENT

At 12.5 a.m. the Council adjourned until Thursday 13 December at 11 a.m.