LEGISLATIVE COUNCIL

Thursday 21 February 1991

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

PAPER TABLED

The following paper was laid on the table:

By the Attorney-General (Hon. C.J. Sumner)—

Occupational Health, Safety and Welfare Act 1986—Code of Practice for the Safe Erection of Structural Steelwork.

QUESTIONS

ENTERTAINMENT CENTRE

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier and the Treasurer, a question about the Entertainment Centre.

Leave granted.

The Hon. R.I. LUCAS: In 1985, just prior to the 1985 State election, the Bannon Government made a promise to establish an entertainment centre in Adelaide. In 1989, just prior to the 1989 State election, the Bannon Government approved the construction of the new Entertainment Centre for an estimated completion cost of $40.7 million. The Public Works Committee took evidence at the time that in terms of defining profit in a commercial sense, as producing an adequate recurrent return on capital, there was not an entertainment centre in Australia that operated on a profitable basis.

The committee was advised that the operating profit of the Entertainment Centre would average between $1.8 million and $2 million per annum in the early years of operation. It was on that basis that the centre was approved. I have now been informed that the Bannon Government has received recent advice that there has been a more than 100 per cent reduction in the expected operating profit of the centre. Government sources have confirmed that the changes will mean significant increased costs to Government, amounting to many millions of dollars in the first years of operation of the Entertainment Centre.

I understand that the Government has had to change its original estimates of usage, which were for 100 performances a year, with a total attendance of 600 000 persons, and also its estimates of administrative costs for the centre. My questions are:

1. What action has the Government taken in light of the advice it has received that the real costs to the Government for the operation of the centre have now increased significantly over the original estimates?

2. What are the reasons for the changed estimates now being used by the Government?

3. Will the Attorney also confirm that there has been a $3 million blow-out in the construction costs of the centre?

The Hon. C.J. SUMNER: I am not aware of those matters. I will refer them to the Treasurer and bring back a reply.

POLICE ATTENDANCES

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question about delays in police attendances.

Leave granted.

The Hon. K.T. GRIFFIN: This morning I received a telephone call from a very angry and agitated Mr Matt Taylor of Brahma Lodge. Mr Taylor told me that he had taken the day off from work and at that time he was sitting in his house armed with a baseball bat, with the windows open, waiting for an intruder who broke into his home last night to return to steal his video cassette recorder.

Mr Taylor said that his house was broken into last night but he was not the only one to suffer. Others in his street also had their homes broken into last night. Mr Taylor is upset that his house was broken into, but he is even more upset that the police took 2½ hours to answer calls for help. However, earlier in the evening, for a period of one hour, police had worked over with a fine toothcomb a car on the road at the front of his home, obviously with a view to try to defect it.

There is no complaint about the police who actually attended later in the evening—I think it was about 12.30 this morning—but he is concerned about police priorities, delays and an apparent lack of resources. This is not the first time that other members and I have had complaints about delays in police attendance. Of course, we recognise that they have to put them into some order of priority. In fact, there have been many occasions when those sorts of complaints have been made. Mr Taylor said that one of his friends called the police one evening just before Christmas but they did not arrive until the next morning. My question is: will the Attorney-General investigate why it took so long for the police to respond to the call for assistance and whether police in the Para Hills area are significantly under resourced to do the task that the community requires?

The Hon. C.J. SUMNER: I certainly will not investigate the matter, but I will refer it to the Minister of Emergency Services to see whether he can obtain a report from the Police Commissioner on the incident outlined by the honourable member. The honourable member would know—as would the Council—that the deployment of police in South Australia is the responsibility of the Police Commissioner. Obviously, the scope for the Government to direct the Police Commissioner in this area is somewhat limited. However, there can be discussions and obviously there ought to be discussions between the Minister and the Police Commissioner if there are concerns about the adequacy of police resources in certain areas.

However, I can say in general that South Australia has more police per capita than any other State in Australia, and that has been the situation for some time. They are better resourced in this State in that sense than in any other State in Australia. As far as funding to the criminal justice system generally is concerned, including the police, South Australia provides more than the national Grants Commission standard. Furthermore, in the past two budgets, a significant contribution has been made to police resources. In fact, in the last budget, as members would know, the Police Department was probably the only department which received an increase in resources. This has meant an extra 200 police being provided for in the past two years, and some of those are still in the process of being trained.

I know there have been announcements recently of extra police resources being provided in certain localities. The most recent announcement concerned the 10 extra police in the Adelaide city district in the so-called 'Flying Squad'

to deal with trouble spots in that area. Most other suburban regional police stations have also received increased resources, or will be in the process of receiving them. I do not know the full details of them but, obviously with the extra police that have been allowed for, there ought to be increased resources in some of the regional areas, as well. I do not know the situation in the Para Hills district, but I will refer the specifics of the question to my colleague the Minister and bring back a reply.

LIVING ARTS CENTRE

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

Leave granted.

The Hon. DIANA LAIDLAW: In October 1989 Cabinet endorsed a proposal to construct the Living Arts Centre at the North Terrace Lion Theatre site at a total cost of $7.8 million in 1990 prices, or, I understand, $8.5 million when allowance is made for inflation by the anticipated completion date in December this year.

At the time it was proposed that the total figure of $7.8 million would include $4.5 million for the construction of the Jam Factory, incorporating the Crafts Council of South Australia, plus $3 million for a visual and performing arts component. The latter area is designed to accommodate the Experimental Art Foundation (with artists' studios and exhibition gallery), the Media Resource Centre (with a 186 seat cinema and film and video production facilities), offices for Doppio Teatro and the Multicultural Art Workers Committee (with 120 seat cabaret cafe, gallery and meeting room). In addition, it is planned that the Adelaide Festival Fringe would continue to occupy the Lion building, which includes a 160 seat theatre, foyer/bar and rehearsal room, offices, dressing rooms and kitchen.

Last November work commenced on the site with the demolition of several dilapidated buildings. However, I have been advised this week that work at the site has come to a virtual halt because the construction authority, SACON, now recognises that the budgeted cost of $7.8 million is not adequate to cover the costs of the planned and approved work proposed for the site. I ask the Minister will she confirm:

1. Whether or not the initial budget of $7.8 million is now recognised to be inadequate to cover the approved building program at the Living Arts Centre?

2. If so, what aspects of either the proposed Jam Factory workshops or the visual and performing arts component have been targeted to be scaled back or eliminated as part of a redesign or modification of the project?

3. What the new escalated cost of the centre would be if no action was taken to amend the current design? and

4. Whether the project in a modified form must be resubmitted to Cabinet or to the Public Works Standing Committee of this Parliament?

The Hon. ANNE LEVY: The building of the new Living Arts Centre has been put out to tender, and two separate tenders have been accepted by Cabinet, one for the building for the Jam Factory and the Crafts Council of South Australia, and one for the structures which will house the Experimental Arts Foundation, the Multicultural Art Workers Committee, the Media Resource Centre and Doppio Teatro. They are two separate building projects. As far as I know, no cost problems whatsoever were mentioned with regard to the structures for the EAF, the MAC, the MRC and Doppio.

The Hon. Diana Laidlaw: The performing and visual arts component?

The Hon. ANNE LEVY: Yes. With regard to the Jam Factory, when the initial design went to tender, all the tenders were above the allocation for its construction. So, discussions were held with the architects, the tenderers, the board and the director of the Jam Factory regarding ways in which costs could be contained and the building simplified in some respects. I am not sure of the exact details of what was eliminated, but I believe that the suggestion to remove certain items in order to reduce costs was not acceptable to the Jam Factory. So, those items were reinstated and simplifications have been made elsewhere.

There is slightly less space in some areas. I do not have the full details, but I can certainly get them for the honourable member. As a result, the tenderer accepted the tender on the basis of this slightly modified structure which would be able to be constructed within the budget allocation. As I am sure members have seen, there is—

The Hon. Diana Laidlaw: There is a big gaping hole.

The Hon. ANNE LEVY: —a big gaping hole. When I say that the Jam Factory and the Living Arts Centre are going down, I mean that they are going up: they have gone down and now will go up. It is an extremely exciting time for anyone who is interested in the activities of the Living Arts Centre, and we are all looking forward to its completion towards the end of this year.

The Hon. Diana Laidlaw: Will it still be on schedule according to the modified plan?

The Hon. ANNE LEVY: As I understand, it is still on schedule, and I certainly hope it will continue that way, although to some extent that will depend on weather conditions. At the moment, there are obviously no hold-ups due to weather, and I think the completion date will be in December of this year, certainly well in time for the Festival Fringe activities that will occur there during the Adelaide Festival next year.

DOCUMENT SHREDDING

The Hon. CAROLYN PICKLES: Will the Minister for the Arts respond to the suggestion that the Chair of the board of management of Tandanya (Mr Copley) has been shredding documents?

The Hon. ANNE LEVY: This claim was raised with my office late this morning, and members of my staff have made numerous inquiries regarding this claim since that time. The original inquiry suggested that Mr Copley was shredding documents in the office of the Minister of Aboriginal Affairs, but there is no evidence whatsoever of this, as the Chair of the board of management of Tandanya does not work in the Office of Aboriginal Affairs. Staff in the office have been interviewed, and they have no knowledge at all of Mr Copley's being in the office at any time in the past few weeks. I might add that Tandanya has no shredder.

Mr Copley is currently the Information Officer in the Adelaide office of the Aboriginal and Torres Strait Islander Commission. Inquiries at that office indicate that Mr Copley has been using the shredder in the past few days. We understand that he has now been directed to cease shredding, and inquiries are being made by the Director of the Adelaide office of ATSIC as to what documents he has been shredding. We have attempted unsuccessfully to contact Mr Copley this morning, and I am very much looking forward to receiving information from him as to whether any documents relating to Tandanya have been shredded.

STATE BANK

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Treasurer, a question about the State Bank.

Leave granted.

The Hon. M.J. ELLIOTT: The complete opposite to shredding appears to be happening in the State Bank now. Sources high up in the State Bank are concerned that files within the bank are being altered. I have been told that backdated documents are being inserted into files. It is believed that these files may be relevant to the foreshadowed royal commission into the State Bank's affairs.

I have already alerted the Auditor-General to this matter and he has intimated to me that he will contact the bank immediately with a view to halting such activity if it is occurring. The Premier's instructions regarding the removal and shredding of documents appear not to have anticipated the wilful alteration of files by way of addition. My questions are:

1. Will the Attorney-General ensure, through the Treasurer, that the Auditor-General does have sufficient power to stop such activity occurring immediately?

2. In the light of allegations of documents being shredded in the State Bank, and now of allegations of files being altered, what will be done to ensure the future security of material which could be relevant to a royal commission?

The Hon. C.J. SUMNER: I have heard a lot of these allegations in the last week. The Opposition and the Democrats seem to have decided to have a story a day about shredding. One minute it is shredding in the State Bank; the next day it is shredding in the State Bank; then it is shredding in the SGIC; and now, having realised that the public is bored with shredding allegations, the Democrats have decided to go on with another series of allegations—

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: —which are probably as credible—

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: These allegations may well be as credible as the Hon. Mr Elliott's allegations which related to certain investments involving the SGIC and which apparently turned out to be completely inaccurate. But, of course, inaccurate allegations from the Democrats in this Council are part and parcel of their *modus operandi.*

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The Hon. Mr Gilfillan is a past master at allegations which generally turn out to be of no substance. But, it takes the authorities an enormous amount of time and money to investigate them. In this particular case it is obvious that the Hon. Mr Elliott is in competition with the Liberals for publicity about the State Bank. He realises that he has been thwarted by the shredding allegations of the Liberals in the past few days, so he has decided now to add one of his own. What is the basis for those allegations is never stated. It is usually 'someone heard'; 'someone told someone'; 'someone believes'; or, 'there are some people in suits outside the State Bank with a car' or something. It really gets to the point—

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: —unfortunately of a most unsatisfactory situation. Apparently we do not have anything from the Hon. Mr Elliott about who is making these allegations. Again, he has just heard from someone that documents are being added to. Well, I do not know whether the allegation is correct. I do not know whether it is an allegation, although I suppose by the time it gets into the Parliament and is raised as a serious matter by a member of Parliament it is then elevated from being a rumour or something that the Hon. Mr Elliott has heard to being an allegation. Whether there is anything in this matter, I do not know. I will have the Premier examine it, and obviously I will refer it also to the Auditor-General.

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Attorney-General a question about the State Bank.

Leave granted.

The Hon. L.H. DAVIS: A key element in the State Bank of South Australia's rescue package is the transfer of assets totalling $970 million from the Department of Housing and Construction to the South Australian Government Financing Authority (SAFA). The Attorney-General would be aware that the Liberal Party and its Leader, Mr Dale Baker, have been publicly supportive of the State Bank, underlining the State Government guarantee which protects all deposits with the State Bank.

However, it is legitimate for the Opposition to be briefed on important aspects of the State Bank affair. As shadow Minister of Housing and Construction, last Thursday I contacted the office of the Minister of Housing and Construction, Mr Mayes, seeking an urgent briefing on the $970 million housing assets package transferred to SAFA. I rang again on Monday and the prospect of a briefing early this week was floated.

Finally, I was contacted and advised that a briefing would be held this morning at 9.30 a.m. At 9.10 a.m. an officer of the Minister telephoned and cancelled the meeting. I told the officer that I found the cancellation most unsatisfactory and disappointing in view of the importance of the matter. I asked that that message be conveyed to the Minister. However, late yesterday I predicted to some of my colleagues that the meeting scheduled for this morning would be cancelled—so I won my bet.

The Attorney-General should know that Mr Mayes enjoys a less than satisfactory reputation for cooperation and observing the propriety of the system of government. For example, last March I asked a straightforward question on the HomeStart scheme, the answer to which could have been obtained by a flick of a computer switch; but it took months to obtain the answer. The fact that I conveyed my dissatisfaction to the Minister's officer this morning has at least had some result because, again not surprisingly, a ministerial statement was given in the other place today detailing valuations of loans transferred to SAFA—Mr Mayes trying to head us off at the pass.

I want to say to the Attorney that I find it totally unacceptable that, when the Opposition is cooperating in this delicate matter of the State Bank and seeking information on key ingredients of the State Government's rescue package for the State Bank, the Minister for Housing and Construction has been unable to provide a briefing, since last Thursday. My question to the Attorney-General is: will he ask the Premier to direct Mr Mayes to provide at the earliest opportunity a briefing to the Opposition on the housing assets package?

The Hon. C.J. SUMNER: Whether to provide the briefing is a matter that the Minister will no doubt determine. It appears that he has already agreed to provide a briefing and a time was arranged, which apparently was inconvenient to the people doing the briefing. The honourable member says that the Opposition is cooperating with respect to

the State Bank matter; well, it would be interesting to see what would be happening if they were not cooperating. I find the notion of cooperation in this area somewhat hard to agree with.

The details of the arrangement between SAFA and the Department of Housing and Construction were outlined quite fully in the statement given by the Premier both at the time of the announcement of the State Bank rescue package and also, I believe, in his ministerial statement to the House. However, it is possible that the honourable member wants some further information, and I will refer the matter to the Minister for Housing and Construction for whatever action he considers appropriate.

Mr RUDI ROODENRYS

The Hon. CAROLYN PICKLES: My question is to the Minister for Local Government Relations. Has the Minister any further information regarding the resignation of Mr Rudi Roodenrys from the position of Director of the Local Government Services Bureau?

The Hon. ANNE LEVY: Yes, Mr President. The Council might be interested in a letter that I received this morning from Mr Roodenrys, in response to the question that was asked by the Hon. Mr Irwin in the Council yesterday. I think it speaks for itself. It is as follows:

Dear Minister,

I was somewhat surprised to note in *Hansard* for 20 February 1991 the question put to you by the Hon. J.C. Irwin in relation to my resignation from my position as Director of the Local Government Services Bureau.

I feel it necessary to correct false impressions which may have been created by the question.

The assertion that I have resigned because I had not been offered a contract for my position within the bureau is totally incorrect. In fact, I am a contract officer of the South Australian Public Service with tenure until January 1993 should I choose to serve the full term of my existing contract.

My reason for resignation is to accept the position of Director of Local Government in Tasmania, a position which holds strong professional and personal appeal to me. I have greatly enjoyed my employment in South Australia and leave with considerable regrets. The implication in the question that I am departing on less than amicable terms is incorrect, unfair and totally unwarranted.

It is regrettable that my resignation has been misinterpreted for reasons which I can only attribute to political mischief. It is unfortunate that it has become fashionable to target and compromise public servants in this process.

Yours sincerely,

(signed) Rudi Roodenrys

Director, Local Government Services Bureau

I endorse his remarks regarding targeting loyal and hard-working public servants for political reasons. I add my thanks to Mr Roodenrys for the excellent service that he has provided to the Government and the people of South Australia during his time in our Public Service.

The PRESIDENT: Before I call on the next question, I remind members that there was some disquiet yesterday when I gave the Hon. Ms Pickles the call on a question. For the edification of the Council I will outline the procedures, which have been built up by tradition, which I adopt in Question Time. I usually give the call to three members of the Opposition, then I go to the Government or the Democrats. Then I alternate equally between the Government and the Opposition, with the Democrats given the call in proportion to their numbers in the Chamber.

WILLUNGA BASIN

The Hon. J.C IRWIN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations a question about the Willunga Basin.

Leave granted.

The Hon. J.C. IRWIN: The *News* of Tuesday this week carried a story that the Environment and Planning Minister (Hon. Susan Lenehan) had announced that a $5 million sewerage scheme for two southern areas, namely, Willunga and Aldinga Beach, had been referred to the Public Works Standing Committee. The Minister was reported to have said that the proposal to develop Willunga Basin as a long-term development option for Adelaide increased the need to hasten sewerage plans. As one who has followed the public outcry about the lack of a sewerage system in the Aldinga/Willunga area, I welcome the move, but I criticise the Minister for not alerting the relevant councils in the area before a public announcement was made.

Many people argue that the Willunga Basin should be declared heritage open agricultural land and never used for urban development. There are also many people who believe that, if the multifunction polis site at Gillman is abandoned on environmental and financial grounds, the Willunga Basin area could be used in its place. My questions are:

1. Will the Minister rule out the Willunga Basin as an alternative site for the multifunction polis?

2. Is the sewerage scheme envisaged for the Willunga Basin and announced by the Minister for Environment and Planning a common effluent disposal scheme or some other?

3. Will the councils be involved in any financial outlays?

The Hon. ANNE LEVY: My colleague in another place, the Minister for Environment and Planning, is also the Minister for Water Resources and has responsibility for E&WS services. I think I should refer that question to her—I am not quite sure in which capacity, because it relates to both portfolios—and bring back a reply.

COUNTRY RAIL SERVICES

The Hon. I. GILFILLAN: I seek leave to make a brief explanation before asking the Minister for Local Government Relations, representing the Minister of Transport, a question about country rail.

Leave granted.

The Hon. I. GILFILLAN: I have detailed in this Council on numerous occasions the continuing demise of South Australia's country rail services under the management of Australian National. In fact, earlier this week I asked a question relating to the demolition of the Balaklava/Gulnare line. Once again, I remind honourable members that a select committee is currently investigating AN's management and policies in relation to rail services in rural South Australia.

Today I received a letter of concern from two residents in the Mid North town of Yacka about the impending dismantling and removal of a rail bridge on their local rail line. I will read the contents of that letter into *Hansard*; it is a little shorter than the ones I read yesterday. Dated 18 February 1991 and addressed to me, the letter states:

Dear Mr Gilfillan,

After listening with much interest to the interview conducted on the ABC radio with you on Saturday 15.2.91. Sir! we applaud your thoughts on the matter of railways removing and vandalising the existing railway installations.

As residents of the township of Yacka we find it almost criminal to remove the Yacka railway bridge. Although the structure is not a heritage item as such, it would be an eyesore if steel panelling

and rails were removed, leaving concrete pylons protruding from the bed of the beautiful River Broughton.

Not only will it be an eyesore but we think it is about time our present Government put a little more thought into what is happening around the State.

We realise that some time in the near future, if we are to curb the present pollution and road carnage problems we have experienced with the present road transport system, that railways will once again be used as a major transport system through country areas.

With massive buildings such as our AN headquarters building and the luxury of having so many almost redundant workers in this building, we think it's about time that a political Party such as yourselves took a firm hold on the situation and lead the State and make Australian National a fully viable working public service once again.

We fully support your Party on this matter and if at any time we can be of use to your Party on perhaps petitioning the residents of the town on this matter, we would gladly do so.

Yours sincerely,
(signed) Julie A. Palmer,
Keith C. Palmer.

The letter serves as a reminder to us of the matter that many members in this Council view just as seriously as I do and we are pushing for some clear action for a moratorium. Therefore, I ask the following questions:

1. Will the Government give an undertaking to the people of this State that it will move to stop all rail dismantling currently under way or planned for the future until, at least, the select committee has finished its investigations?

2. Will the Minister confirm if agreement is needed by his department before AN can close and dismantle rail infrastructure in this State?

3. Was the Minister consulted by AN about plans to demolish the rail bridge at Yacka and, if so, did he give his approval to do so?

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

INDUSTRY SUPPORT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Industry, Trade and Technology, a question about industry support.

Leave granted.

The Hon. T.G. ROBERTS: The Federal Government is considering a range of options to reform industry assistance packages, including tariffs, but a number of other options are being examined. The State Government has made a number of submissions to several Ministers in various forms. The Manufacturing Advisory Council (MAC) has put forward a submission in a very lengthy industrial policy statement and made recommendations of its own.

A number of Federal Ministers have made various statements on packages that do not include tariffs, and one of them appeared in yesterday's *News* in the stop press. I do not think many people saw it. One Federal Minister, Mr Dawkins, made the statement that the Government would make $300 million available in an industry package to assist the recovery of the industry to train apprentices and to make sure that the skill levels of people are maintained during this difficult period. That is one expression of industry support.

Other industry support measures revolve around discussions with manufacturers, and I do not have to tell members in this Chamber just how important the motor industry is to South Australia. Other measures are being discussed to support some of the proposed changes within that industry over the next few years. The Prime Minister is to make an economic statement on 12 March, which I suspect will include matters relating to the motor industry and support packages. I know that the Minister has had wide-ranging discussions with a number of Ministers, and I expect that the community is slightly confused about some of the statements emanating from Canberra at the moment.

Mr Button, Mr Keating and Mr Hawke have all made statements, and in some cases they are in conflict with the State submissions. The reason I ask the question is to get some clarity into the arena so that people in South Australia can look at what is actually emanating out of those discussions and whether any preliminary statements have been prepared prior to the 12 March statement. My questions are: what policy instruments, including tariffs, have been canvassed; what method of delivery will they have; how will they be monitored after they have been implemented; and what impact will they be expected to have on the motor industry in this State?

The Hon. BARBARA WIESE: I am sure that the honourable Minister of Industry, Trade and Technology would like to know the answers to those questions as well, and will be very happy to clarify the position for the honourable member.

COORONG GAME RESERVE

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister for Local Government Relations, representing the Minister for Environment and Planning, a question on the subject of the proposed closure of the Coorong Game Reserve.

Leave granted.

The Hon. J.C. BURDETT: Yesterday in the other place, in answer to a question by the member for Spence, the Minister said:

> I also advise that I have given an undertaking—and I am delighted to do so publicly—that I wish to meet with (and I have instigated these meetings already through my ministerial office) all interested parties, including the Field and Game Association, to discuss in detail the Government's new policies on duck hunting in game reserves and also to get their views before I take any decisions about the 1992 season. I give that assurance both to the honourable member and to the House generally in terms of the setting of the season for 1992.

A press release issued today by Mr John Kentish, President of the Recreational Rights Group, states:

> 'The Minister has totally ignored the consultative process which was specifically set up by the Government to help resolve the Coorong issue', Mr Kentish said. 'Over 100 submissions were received, and only three of these (all from interstate) favoured closure of the game reserve.' More than 97 per cent of submissions received either favoured hunting or were neutral about it. 'Only a few weeks ago we interviewed 541 people on the Coorong beach about the game reserve, and less than10 per cent favoured closure. This is a truly remarkable result considering the strong anti-hunting campaign and the relatively small number of duck hunters,' Mr Kentish said.
>
> 'Not only is the Minister acting against the expressed wishes of the public, I believe that she has come close to defeat on this issue within her own Party. The Labor Caucus is leaking like a sieve at the moment, with information coming from a number of sources.'

The Hon. T.G. Roberts: Name your sources.

The Hon. J.C. BURDETT: No, I am reading from a press release, and I will continue doing so:

> 'Disgruntled Labor members abound, and it is known that MPs Michael Atkinson, John Quirke, Paul Holloway, Ron Roberts and others are doing their best to protect the rights of people who use public land for their recreation, I believe that they are opposed to the Minister's proposal,' Mr Kentish said.

I understand that the vote in Caucus was very close indeed, notwithstanding the ministerial solidarity. My question is: when the Minister conducts the consultation that she has promised (and given an undertaking for), will that include

consultation in the South-East of the State and close to the Coorong with groups such as trade unions, Labor Party sub-branches, recreational sporting groups and others?

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

FIRST HOME OWNERS SCHEME

The Hon. BERNICE PFITZNER: I seek leave to make an explanation before asking the Minister of Tourism, representing the Minister of Housing and Construction, some questions concerning the First Home Owners Scheme.

Leave granted.

The Hon. BERNICE PFITZNER: The First Home Owners Scheme was terminated by the Federal Government on budget night (22 August 1990). There was no indication to the people involved, that is purchasers or the conveyancing agents, that a termination was to be effected. Further, it was announced, and is still on the pamphlets issued by the First Home Owners Scheme office in Adelaide, that Federal assistance would be replaced by similar State assistance. On checking with the office of the Minister of Housing, a senior administrative officer commented that what was planned was not a First Home Owners Scheme replacement but that the 'freed up' money might go back into housing in general.

This sudden termination of the First Home Owners Scheme has left a significant number of people, especially those wanting to buy Housing Trust homes, in the lurch. It is reported that some of these people could have made the deadline had it not been for the delay of having their homes valued by the trust. There is a two month waiting list. The requirement is to have both the intent to purchase and the valuation of the propety completed before the proposal can be considered. My questions are:

1. Where is the 'freed up' money going, in particular?

2. Is the Minister of Housing aware that at least 40 applicants are waiting to purchase their Housing Trust homes and have been caught in this sudden termination? HomeStart and Homesure are inappropriate for their requirement.

3. Why does the Government not continue a similar First Home Owners Scheme? In respect of Housing Trust applicants, it would free up money in the Housing Trust area to build more much-needed Housing Trust homes.

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

AUSTRALIAN ECONOMY

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council, a question about the Australian economy.

Leave granted.

The Hon. J.F. STEFANI: On 9 March 1989, in reply to a question asked in this Chamber, the Attorney-General stated that the Hawke Government's method of controlling the economy was to adopt a managed approach towards restructuring, in contrast to Mr Howard's approach, which was by means of a recession and by increasing unemployment if he gained power at the next election. Now that the Federal Treasurer (Mr Keating) and the Prime Minister (Mr Hawke) have publicly admitted that Australia is in a recession and that unemployment will remain on the increase for some time because of their deliberately engineered recessionary economic policies, my questions are:

1. Does the Attorney-General agree with the Federal Treasurer when he said that the people of Australia needed to have a recession, which is causing increased unemployment?

2. Does the Attorney-General agree that the Hawke Labor Government is using a recession and unemployment as a means of controlling the economy and the balance of payments?

3. In view of the recessionary economic policies adopted by the Hawke Government, can the Attorney-General explain the conflicting statements he made in this Chamber on 9 March 1989?

The Hon. C.J. SUMNER: What I said in this Chamber on that date was the policy of the Hawke Government. Whether I agree with the Treasurer that it was a recession that needed to happen is really neither here nor there. I suggest that, if he wants that question pursued, the honourable member gets his Federal colleagues to pursue it with the Federal Treasurer in the Federal Parliament, which is where he sits. What I said in March 1989 is correct. That was the policy. It is now clear that the slow down in the economy that was being engineered by the Federal Government has gone into a recession.

It was done, as members would know, to try to reduce demand in the domestic economy and, therefore, to attempt to correct the balance of payments problem. Members can all have their own views as to whether the policy has been successful. I noted yesterday in the *Financial Review* that it was editorialising in favour of maintaining the clamps on the economy for the moment, calling on the Federal Government, as they said it I think, to hold the line on their current policies to ensure that inflation was kept under control and that the economy did not reheat too quickly before the structural problems which have been indicated had been corrected.

No doubt members opposite can make their comments about the failure or otherwise of Federal Government policy. There is no doubt that a Howard Government or a Peacock Government would have pulled the plug on public expenditure to a much greater extent than did the Hawke Government. There is also no doubt that they would also have had a wages policy which would have—

Members interjecting:

The Hon. C.J. SUMNER: Well, that was their policy. It was their policy; it was in their statement.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Read what Mr Hewson's got to say about the public sector.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: They will pull the plug on the public sector to a much greater extent—

Members interjecting:

The PRESIDENT: Order! The honourable Attorney-General has the floor.

The Hon. C.J. SUMNER: They would cut Federal and State Government expenditure to a much greater extent than Keating has done. They would also change the industrial relations system—

Members interjecting:

The PRESIDENT: Order! The Council will come to order.

The Hon. C.J. SUMNER: —to bring in enterprise bargaining, and it is a moot point as to whether that would in fact lead to increases in productivity and lower wage outcomes than the current accord process. Where I referred to the managed approach to the economy, I also referred to the accord which is in place and which has produced a

lower wages outcome. I suspect that it has produced a lower wages outcome than would occur with enterprise bargaining.

What is likely to happen with enterprise bargaining is that those enterprises that it is deemed can pay higher wages will flow on into the uneconomic or less productive industries, and that is what has happened in Australia historically. Of course, if that occurs wages would go through the roof, the cost of labour would be increased and the policies of the Hawke Government over the past two years of ensuring that wages were contained at reasonable levels would be defeated. The other way, of course, would be for an even greater dose of recession and unemployment than we have at the moment, and I suspect almost certainly that that would be the outcome of a Liberal Government.

DRY AREAS

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Tourism a question about dry areas.

Leave granted.

The Hon. PETER DUNN: The Minister put out a press release, but subsequently, because the press release did not have the desired effect, followed it up with a letter to local government regarding dry areas. I know that this issue relates to several Ministers, including the Attorney and the Minister for Local Government Relations. However, it is interesting to note the Government's change in attitude. In her letter of 29 January 1991, the Minister says:

> The creation of dry areas in certain locations has been successful in diminishing public nuisance and assisting law enforcement.

The letter continues:

> The Government views the creation of dry areas and isolation from community programs to deal with public drinking as potentially divisive.

Maybe the Minister could comment on why it would be divisive. Further, the letter states:

> Through local by-laws councils will retain their existing power to declare dry areas in locations under their care, control and management such as parks, gardens and reserves.

She limited it to that for local government. The Minister continued:

> But under the Liquor Licensing Act, dry areas in other locations will only be declared in specific circumstances. These will include:
> - for specific events to assist the control of large crowds—

that might apply in the city but I doubt whether it would apply in the country—

> - on application from councils, provided they include a broader local strategy for preventing anti-social behaviour and/or providing appropriate care and rehabilitation,
> - and on application from a group who would be the principal target of the prohibition, providing they also include strategies similar to council applicants.

That is a very funny paragraph. Concerning the amount of money raised by the State Government from liquor licensing, my questions are:

1. Why does not the Government pick up the tab for the rehabilitation that the Minister is now insisting local government must pick up?

2. In defence of local government, has Minister Levy objected to this buck-passing?

3. Does the Minister have in her mind the idea of reimbursing local government for the costs incurred in setting up the rehabilitation program?

4. Will the present ideas, that is, the rehabilitation being set up by local government, be retrospective for such councils as Ceduna or Murat Bay which already have dry areas set up?

The Hon. BARBARA WIESE: The honourable member seems not to have been able to understand some of the documents that I have circulated to local government and the media with respect to the Government's new policy on dry areas. For his benefit and that of the Council, I would like to clarify the purpose of this new policy.

Certainly, as I have indicated, the Government believes that the declaration of dry areas in some parts of the State has been effective in dealing with a public nuisance problem and assisting the police in law enforcement in certain circumstances. However, we also now have evidence from some of those locations where dry areas have been in place for some time that, in many cases, declaring a dry area simply shifts from one location to another the problem of public drunkenness and, in some cases, violence and other social problems. There is evidence that in some instances that is leading to domestic violence and to problems of other types in different locations.

I would like to indicate that this is a Government position; therefore, Ministers such as my colleague the Minister for Local Government Relations endorse this policy. We believe attention should be paid in local communities to the underlying social problems that have led to the request for a dry area to be declared in the first place. I suggest that this requires a range of responses, depending on the particular location and problem that has emerged in various parts of the State.

There are occasions, such as special events, where large crowds gather and where it is in the interests of all present that there be no alcohol. I would expect councils and other bodies to apply in the usual way for an application for a dry area in relation to those events. However, where councils or other community organisations—and I am referring to the third point that the honourable member drew from the letter that I sent to councils—including Aboriginal groups and other community organisations, are looking for the declaration of dry areas in order to deal with a perceived social problem, it would be the Government's intention that a local strategy to address the underlying social problems be pursued.

Since local government is a community government—it is the level of government that is closest to the communities it represents, so it is in an ideal position to identify community need and in a very suitable position to coordinate local services—it seems to us that local government ought to be involved in identifying an appropriate local community response. That does not mean that the Government is suggesting that councils should be solely responsible for the provision of, for example, rehabilitation services if that seems to be an appropriate response in a particular location. It may mean that a council will become involved in the provision of services, but it may mean also that the council simply calls together the appropriate Government agencies which may have a role to play in addressing the local community problem.

This is a matter that I think any fair-minded person would agree is the correct approach. It is not appropriate for us simply to say that public drunkenness is something that we will sweep under the carpet and not worry about. It is a community problem which should be addressed by the whole community and the Governments that represent people in those communities.

Members interjecting:

The Hon. BARBARA WIESE: Just wait a minute. I indicated in my correspondence with local councils that, through the crime prevention strategy which is under the control of my colleague the Attorney-General, financial assistance may well be available to local councils to develop

local strategies to deal with some of the community problems that arise from public drunkenness. I expect also that other community and Government-based agencies will be in a position to provide assistance, whether financial or in some other form, to help councils to identify appropriate local strategies to deal with this social question. However, I stress that this matter requires broader community consideration than the simple response that has been followed by some councils of saying, 'We want to get rid of this problem; we will push it under the carpet.' That is not satisfactory, and we believe that if State and local governments work together on some of these issues we are more likely to achieve a more satisfactory outcome for all concerned.

VALUATION OF LAND ACT AMENDMENT BILL

In Committee.

(Continued from 19 February. Page 3003.)

Clause 2 passed.

Clause 3—'Interpretation.'

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

Page 1—

Lines 16 and 17—Leave out paragraph *(a)*.

During the Christmas recess the Opposition has had a chance to examine in more detail the implication of the proposed amendments to clause 3. I say at the outset that clause 3 gives the Opposition the most concern. It will be useful to restate exactly what the Minister said in the second reading explanation when this Bill was introduced on 20 November 1990 (page 1989 of *Hansard*), as follows:

> . . . minor amendments are now needed to take into account changing administrative requirements.

In reference to clause 3, the Minister said:

> The clause deletes paragraph *(b)* of the definition of 'annual value' of land which provides that if the value of the land has been enhanced by trees (other than fruit trees) planted on the land or preserved on the land for shelter or ornament, the annual value must be determined as if the value of the land had not been so enhanced. A simplified definition of 'capital value' is substituted and the definition of 'rating or taxing authority' is struck out. An updated definition of 'the rating or taxing Acts', including reference to the Local Government Act 1934 is substituted.

That is the only reference made to this clause in the Bill, and that is in setting out, as we do, formally the substance of each clause. But, in the introduction of the Bill no reference is made to clause 3.

It is important to put on the public record the Opposition's dismay at the way in which the Minister has attempted to introduce what are quite far-reaching changes to the Valuation of Land Act under the guise of what are styled minor amendments without attempting, in any way, to canvass the effect of the changes in financial terms.

I find it absolutely remarkable. I have been in this Council for 11 years and I have never seen the Council Sir Humphrey'd so comprehensively. The Minister, who has the carriage of the Bill in this Council, is not the Minister responsible for the legislation. The Minister responsible for the legislation should publicly apologise for attempting to con the Parliament and the public. I have consulted the councils in the areas of concern, and I have consulted the companies which, as a result of this change in legislation, if passed, will be affected dramatically in financial terms, and they have not been consulted by the Government.

I bear no malice towards the Minister in this Chamber: I make that quite clear. The fact is that the purpose of this legislation is to introduce very slyly a fundamental change in the rating system in South Australia. In the past only fruit trees have been rateable. It will be interesting to find out from the Minister whether vineyards have been rated. My belief is that vineyards have not been rated. I have consulted with the Botanic Gardens and my understanding is that a vine is a plant and not a tree. I will be interested to get a judgment on that because it may well be that vineyards may have been paying rates when they have not been required to pay rates.

The Hon. Anne Levy interjecting:

The Hon. L.H. DAVIS: Well, they may very well have some recourse on that. That is an issue I want to address in the canvass of this definition section. Secondly, I want to address the fact that this legislation will bring pine plantations under the definition of 'trees' which will be valued for rating purposes, whether we are talking about site value or capital value.

The Hon. Anne Levy: Not for site value—for capital value: capital, not site.

The Hon. L.H. DAVIS: As the Minister would know, the majority of councils value on capital value, and there is a trend in that direction. In the majority of council areas in which there are forest pine plantations in the South-East—and of course there are other plantations in the Barossa Valley and the Adelaide Hills—the value is based on capital value.

My colleague, the Hon. Peter Dunn, and I had a briefing from the Department of Lands last week about this matter. I asked: what will the impact be of the changed definition? To what extent will land values be increased because of their enhancement by trees, and specifically we are talking about commercial plantations?

The Hon. Anne Levy: They are the only ones we are talking about.

The Hon. L.H. DAVIS: Yes. It is interesting that the Valuer-General's Office has confirmed that the land value will be increased by a factor of between 100 per cent and 400 per cent as a result of bringing into account the value of pine trees. I think it is true to say that the major private sector pine growers—CSR Softwoods and SEAS SAPFOR—tend not to place too much value on young pine trees planted eight to 10 years. After that pine trees progressively increase in value through to the stage of their first thinnings and go through to maturity, which may be as late as 45 years. I accept that already we have had, for rating purposes, citrus trees which will principally take in the Riverland, and stone fruits, which will take in the Riverland and the Adelaide Hills. I do not know whether almonds qualify as a fruit tree.

The Hon. Anne Levy: Botanically they certainly do.

The Hon. L.H. DAVIS: I concede to the Minister's wisdom in that area. With my amateur knowledge of trees, I would have thought that they would. So, we have a question mark about vines—whether they are a tree or a commercial plantation. Certainly, they may qualify under the definition of 'commercial plantation', but it may have been harder for them to qualify as a fruit tree, because I have been advised that indeed they are regarded as a plant.

I have spoken to the six councils and the major forest owners (namely, SEAS SAPFOR and CSR Softwoods) in the South-East. As I have already said, none of them had been contacted by the Government. Some of them had heard about the matter because the debate broke out over the Christmas period, with a range of people including environmentalists, farmers and politicians expressing concern about the high-handed approach of Government in this matter, the lack of consultation and also the impact of

the legislation. Because of the developments and the unusual nature of this debate, I seek leave to insert in *Hansard* a purely statistical table showing the land valuation of South-East forests.

Leave granted.

LAND VALUATION
South-East Forests

Council	Rating System	1990-91 Rate in $	Hectares of Forest: Government	Hectares of Forest: Private	Annual Rates Paid: Private $	Annual Rates Paid: Government Rates * (Exempt) $
Beachport	Site Value	0.50c	10 445	2 084	10 714	38 000
Millicent	Capital Value	0.46c	14 920	500 approx.	5 000 approx.	79 120
Mount Gambier	Capital Value	0.42c	18 632	7 039	46 794	112 248
Naracoorte	Capital Value	0.48c	2 090	—	—	6 629
Penola	Capital Value	0.465c (differential)	22 980	8 092	40 098	115 000
Port MacDonnell	Site Value	0.488c	11 162	6 990	48 433	62 000

* Government forests are not required to pay council rates.

The Hon. L.H. DAVIS: This table details the hectares of forests held by Government and private companies in the council areas of Beachport, Millicent, Mount Gambier, Naracoorte, Penola, and Port MacDonnell. It examines the annual rates paid by the private companies and the rate that would be paid by Government forests if in fact they had to pay rates. As the Minister would well know, it is not a level playing field with respect to pine plantations: governments are exempt from paying any rates whatsoever.

The concern that I have, and the concern of private sector companies understandably, is that this will further disadvantage private sector companies, such as CSR Softwoods and SEAS SAPFOR, which will be forced to pay rates which, on the admission of the Valuer-General, will increase by a minimum of 100 per cent and up to 400 per cent, whereas the Woods and Forests Department continues to be exempt. Let me underline the gravity of the situation. I will hand the Minister a copy of the table so that she can see the full impact of what I am talking about.

I refer first to Beachport where the majority of the forest is Government owned. The Government rate given up was $39 000; in other words, that is what Beachport did not get. I will certainly concede that the Woods and Forests Department does put in on an irregular basis a contribution to various councils for road maintenance or for the building of new forest roads. Sometimes these roads can be quasi-public roads and sometimes they can be exclusively forest roads. In the time that has been available to me in putting all this information together, I have been able to observe that the Woods and Forests Department has been putting in rather less than it would have been required to, had it been paying rates on the same basis as the private sector.

In relation to Port MacDonnell, the Government would have been paying rates of $62 000 a year on the 11 000 hectares of forest in that area had it not been exempt from council rates. I refer specifically to how much was contributed to the Port MacDonnell council in the past six or seven years. In 1984-85 it paid only $25 000 contribution towards roads. In 1985-86 it paid nothing. In 1986-87 it paid $45 000. In 1987-88 it paid $109 000, but $38 000 of that was exclusively for a private forest road. In 1988-89 it was $17 000, while in 1989-90 it was only $3 000. In 1990-91 nothing was paid. In relation to the Millicent council, from the table the Minister will see that, on the 14 920 hectares of forest, the Government would have been required to pay $79 120 in rates to the local council; but last year it paid just $43 000 for roads, and this year just $47 000. I could go on, but the point has been made.

It is shameful that this legislation has been brought before the Council in such an underhanded fashion, without any economic impact statement being made. It just shows, in the light of all the sadness of the past two weeks, how financially naive this Bannon Government is. It has not had the wit or wisdom to recognise the impact of this legislation. If it has not had the wit or wisdom, let me as a representative of the Liberal Party tell the Minister and the Government exactly the impact of this legislation.

In Beachport, the private rates paid of $10 000-odd could at least double, and be up another $10 000. It could be up as high as 400 per cent, on the admission of the Valuer-General's office. In Millicent, with only a small holding of private forests, $5 000 is paid, and that will go up. In Mount Gambier, the annual rates paid privately are $46 000. In Port MacDonnell, it is $48 000. In Penola, over $40 000 is paid by the principal companies, CSR Softwoods and SEAS SAPFOR. These annual rates paid privately come from the two principal companies.

I would be negligent in my comments if I did not make the point that there are many other smaller forest operators in the private sector who will be similarly affected. I should make clear that that annual private rate paid is for SEAS SAPFOR and CSR Softwoods only. The points I have made are, I think, a very serious starting point in this debate. I have other points to make, but perhaps as a point of reference I shall ask the Minister to respond to the following points now. First, is my suggestion about vineyards correct? Are vineyards regarded as trees? Could it be that vineyard owners have been paying council rates in past years when there was no need for them to do so?

A point of much greater substance, of course, in relation to which I ask the Minister for a response, is why is it that no reference was made in the second reading debate to the impact on pine plantation owners in the South-East, the Barossa Valley and the Adelaide Hills? My reading of it suggests that it could cost private operators in South Australia up to half a million dollars more in rates. It could be up to half a million dollars more annually at the top end of the increase projected for pine forests. That is a horrendous figure. At the bottom end, it has to be a minimum of $150 000 to $200 000—a figure imposed by this Government without any consultation. Certainly, the Government does not get any benefit from this; the councils in the various local areas get the benefit of it, and I concede that. However, the important thing is that it has disadvantaged the private sector operators very dramatically, as against the Woods and Forests Department.

The Hon. ANNE LEVY: First, in response to the honourable member's question, I understand that vineyards

have always been included as part of the capital value of a site. I refer to commercial vineyards. We must make clear that we are not talking about people's fruit trees in the backyard or the passionfruit vine that grows over the trellis. We are talking about commercial operations. I also want to make quite clear that this is not the time to start debating whether Woods and Forests should or should not pay rates. That is a quite separate issue relating to intergovernmental relations. It is obviously something that will be discussed by the negotiating teams in meetings between State and local government, at the same time as they discuss matters such as the current non-payment of land tax and payroll tax by councils. The taxes and charges from one level of government to another level is a matter that obviously will be discussed in negotiations that will proceed over the next few months. Let us leave that aside now, as it has nothing whatsoever to do with the Bill before us.

The Hon. L.H. Davis: It is relevant in the sense of the impact that it has on the private sector versus Woods and Forests.

The Hon. ANNE LEVY: It has nothing to do with the Bill before us.

The Hon. L.H. Davis: It is relevant in considering the Bill.

The Hon. ANNE LEVY: It has nothing whatsoever to do with the Bill before us. In particular, it has nothing to do with the amendment which I thought the Hon. Mr Davis was going to move. However, having listened intently to his remarks, I am still none the wiser as to the meaning of his amendment.

Perhaps I should say first, in response to the second question raised by the Hon. Mr Davis, that we need to recall when we are talking about valuations that the viability of all commercial properties is reflected in the prices that people will pay for its products and for the property itself. It is the price that is paid for the property that determines its value. If a property has changes made to it, such that the rates increase considerably, but the return is going to be no greater, then the valuation of the property is likely to fall. A purchaser will pay less because his overheads will be greater than they were before that change occurred.

It is the price paid in the market that determines the valuation and capital value. For any property from which income is derived, the price that a purchaser will pay for it takes into account the overheads that apply to that particular commercial venture. If the overheads are very great and the profit is small, the price that a buyer will pay is much lower than if the overheads are low and the profits are high. Capital valuation is determined by what a buyer will pay. It is completely market determined. That is the definition of 'capital value'. It is what a buyer will pay in the market.

A further point is that, if some people pay lower rates than they would otherwise pay, it means that all the other ratepayers in that area have to pay more than they would otherwise pay. Increasing the rates on one property can decrease the rates on other properties. Given that a council requires a certain income, it strikes its rate each year according to the income that it requires, knowing the total valuation of the land within that council area. So, if by some legislative change some individuals will pay higher rates, it means other ratepayers will pay lower rates.

The Hon. Peter Dunn: You don't reckon they will appeal?

The Hon. ANNE LEVY: No. Quite obviously, if councils have to raise a certain amount of money, they strike their rate in the dollar according to the assessable value of their council area. If, by some legislative change or some great developmental change, some individuals will pay more in rates, it means others will pay less.

I agree there has been argument about the wording of the amendment proposed by the Government, but it is to correct an anomaly that exists in the legislation. I am talking here about capital value. As we all know, councils can use either site values or capital values for raising rates. Site value is the value of the land itself and does not include development that has occurred on the land. On the other hand, capital value includes development.

The definition in the Act is defective, in that it is so worded that fruit trees—predominantly stone fruit and citrus trees in the Riverland, and commercially grown fruits such as almonds—and the planting and raising of orchards are regarded as development. It seems to me that, in any sensible use of the words, 'fruit' and 'orchard' mean commercial development. Consequently, the value of fruit trees is counted when determining the capital value of a particular site. There is no doubt that a purchaser would pay far more for a piece of land that has a fully grown orchard on it than he would pay for the same piece of land on which every tree had been chopped down. I am sure everyone would agree that when a property is covered with trees it has a higher value than if all the trees were chopped down.

In determining the capital value of a piece of land, the value of fruit trees and commercial orchards should be taken into account. However, what about the situation where next door to an orchard is a similar piece of land that has a pine plantation on it? As the Act is worded, the value of those commercially planted pine trees is not taken into account in determining the capital value of that land. That is an anomaly. It suggests that the price that would be paid for a piece of land with a pine plantation on it is exactly the same as would be paid for that piece of land if every tree were chopped down. That is patently absurd.

The value of a pine plantation is as valid in determining the capital value of a piece of land as is the value of an orchard in determining the capital value of that piece of land. The current situation is discriminatory against orchard growers, who feel that, if the value of their trees is taken into account in determining capital value, the value of the pine trees next door, a commercial plantation, should also be taken into account in determining capital value.

The Hon. L.H. Davis: Except if it is Woods and Forests?

The Hon. ANNE LEVY: That is an inane interjection. I have already stated that this Bill has nothing whatsoever to do with whether or not Government properties pay rates. That is totally irrelevant to this legislation.

Members interjecting:

The CHAIRMAN: Order!

The Hon. L.H. Davis: You go down and see SAPFOR.

The CHAIRMAN: Order! The Hon. Mr Davis will have a chance to enter the debate.

The Hon. ANNE LEVY: That question is part of the discussion occurring between State and local governments with regard to the charges and taxes imposed by one level of government on another. It is not just a question of council rates; it is also a question of land tax, payroll tax and a whole lot of other charges and taxes between the two levels of government. What we are discussing in this Act is the valuation of land that is used for council rating purposes. Whether or not Government land pays rates is irrelevant to how the valuation is determined on which rates will then be based.

There has been argument over how one can correct the anomaly that exists in the current legislation; that is, the definite anomaly whereby the owner of commercial fruit trees has those trees taken into account when determining

the capital value of his land, the developed value of his land, whereas the owner of the pine plantation next door does not have the value of those trees, planted for commercial purposes, taken into account when determining the value of that land for capital purposes. That is an anomaly that this legislation is attempting to remove.

The Hon. L.H. Davis: What about tomatoes?

The Hon. ANNE LEVY: We are only talking about trees.

The Hon. L.H. Davis: What about a wheat crop?

The Hon. ANNE LEVY: We are talking about commercial plantations that include trees.

The Hon. L.H. Davis: Does a raspberry plantation come under commercial plantations?

The Hon. ANNE LEVY: You're a raspberry!

Members interjecting:

The CHAIRMAN: Order!

The Hon. ANNE LEVY: As I understand it, there has been discussion about how capital value can be defined to ensure that it is the developed value of the land for commercial purposes. As a result of various discussions, I move:

Page 1, lines 16 to 21—Leave out paragraphs *(a)* and *(b)* and substitute:

(a) by striking out from paragraph *(b)* of the definition of 'annual value' in subsection (1) '(other than fruit trees)' and inserting '(other than commercial plantations)' after 'planted thereon';

(b) by striking out from the definition of 'capital value' in subsection (1) '(other than fruit trees)' and inserting '(other than commercial plantations)' after 'planted thereon';.

This removes the reference to fruit trees and, instead, refers to commercial plantations, which will include all orchards, vineyards and pine plantations.

The Hon. L.H. Davis: What about raspberries?

The Hon. ANNE LEVY: It will include all commercial plantations. If raspberries are grown on a large scale—

The Hon. R.I. Lucas: Strawberries?

The Hon. ANNE LEVY: It will include commercial plantations.

The Hon. L.H. Davis: It does not include strawberries and raspberries. What is the definition of a commercial plantation?

The Hon. ANNE LEVY: The definition in the Act states:

'Capital value' of land means the capital amount that an unencumbered estate of fee simple in the land might reasonably be expected to realise upon sale, but if the value of the land has been enhanced by trees (other than fruit trees) planted thereon, or trees preserved thereon for the purpose of shelter or ornament, the capital value shall be determined as if the value of the land had not been so enhanced.

In other words, the orchard grower has his trees taken into account in determining the value of his land. The pine plantation next door to the orchard does not have the value of the trees taken into account. That is unfair.

The Hon. L.H. Davis: What about raspberries and blackberries? Are they included in the definition? Does that constitute a commercial plantation?

The Hon. ANNE LEVY: I am informed that raspberries are not in any way discussed in the value. The exception—

The Hon. Peter Dunn: Like a lot of other crops!

The Hon. ANNE LEVY: Listen and you might learn something. The definition of capital value is what someone will pay for it. That is what determines the capital value of a piece of land. However, if there are trees other than fruit trees, they are not taken into account, so currently fruit trees are included. Strawberries and tomatoes would obviously be included, in that someone will pay more for a patch of ground that is covered by strawberry plants than they would pay if it were bare ground.

The Hon. L.H. Davis: What about trees then?

The Hon. ANNE LEVY: Trees are only in the definition as an exclusion. It does not say that strawberries are counted in, it refers to trees being counted out, except when they are fruit trees.

The Hon. R.I. Lucas: What about a commercial plantation of flowers?

The Hon. ANNE LEVY: In a commercial plantation the value of the flowers is taken into account. It is what is paid for the property, so trees are only mentioned in the definition because they are being taken out. Everything else is still in. The current legislation states that trees are taken out unless they are fruit trees. Fruit trees are still in, as are raspberries, as are—

The Hon. R.I. Lucas: Gooseberries!

The Hon. ANNE LEVY: —gooseberries, as are vines—and we do not need to argue whether or not vines are trees—as are strawberries.

The Hon. R.I. Lucas: What about Dunny's wheat crop? You pay more for a farm that has a crop of wheat on it.

The Hon. ANNE LEVY: Obviously, so it is included in the developed value. A farm with—

Members interjecting:

The CHAIRMAN: Order! There is too much audible conversation.

Members interjecting:

The CHAIRMAN: Order! There is too much audible exchange across the Chamber. The honourable Minister.

The Hon. ANNE LEVY: It seems obvious that, if a crop of wheat is ready to be harvested, that land has a much higher capital value than it would have if the crop had been harvested. Trees are only mentioned by way of exclusion. Obviously, the capital value is what someone will pay for the property and includes the value of all development on the land. The one and only exception to this is trees that are not fruit trees. In this State, that means pine trees.

Elsewhere, it could mean other trees. However, in this State the main commercial trees which are not fruit trees are pine trees. So, the only exception across all possible forms of vegetation is pine trees. The value of every other form of vegetation is included in the capital value, but pine trees are not. That is an anomaly, and we wish to correct that.

The definition, under the amendment I am moving, is designed to improve the definition of 'capital value' as appeared in the Bill originally to make quite clear (and this arises from suggestions from some people that there would be taxing of people's fruit trees in the backyard and other such absurdities) that it is only a question of commercial plantations being included for valuation purposes. I would like people to realise that what we are doing in South Australia is in no way unusual; that in New South Wales the value of commercial plantations of any type of tree is included in the capital valuation, and the same applies in Western Australia and in the Northern Territory; and that all commercial trees are included in determining the capital valuation of land. Victoria is planning to do the same. It regards its current provisions as anomalous, and will be moving to do exactly the same as New South Wales, Western Australia and the Northern Territory. I do not know about Queensland, I presume it has no commercial plantations of non-fruit trees.

An honourable member interjecting:

The Hon. ANNE LEVY: In Queensland the capital value of land is not determined; only site value is determined. In such site value I take it that the commercial plantations would be taken as development; thus their value would not be included, which does make sense. I have moved the amendment standing in my name, which is to make clearer

the situation regarding the definition of 'capital value' and to ensure that all commercially-planted trees will be treated in the same way.

The Hon. M.J. ELLIOTT: When the Minister started, I understood her explanation, but I must say that after about 20 minutes of explanation she just about got to the point where I thought I no longer did. After 20 minutes, we got to a point where the Minister understood what she was saying because she had finally worked it out, and she gradually removed the confusion again.

The Opposition got itself into one heck of a tizz over the matter of native vegetation, and I think it put a great deal of misinformation into the community, because Mr Lewis in another place simply did not understand what was going on. A great deal of concern having been created amongst environmental groups because they thought, 'If you are saying it, perhaps there is something to it,' I gave an undertaking to the environment groups that, if there was any chance whatsoever that this Bill could affect native vegetation, I would ensure that it was amended. The amendment, which the Government now has before us, quite clearly excludes native vegetation. The only new thing it picks up is pine plantations.

The Hon. Anne Levy: It always did.

The Hon. M.J. ELLIOTT: That's exactly it: it always did—only some of you people did not understand. The only new inclusions now are pine plantations. In South Australia there are no other significant tree plantations other than pine fruit.

The Hon. L.H. Davis: What about woodlots?

The Hon. M.J. ELLIOTT: I said, 'There are no other significant plantations.' I believe that if capital value is to be used it is imperative that we look at including pine trees. I made comments in the South-East only a few weeks ago regarding my concern about the increasing mechanisation of the whole industry and the fact that the return to the community from the pine industry is declining rapidly. It is declining rapidly because the major contribution it makes to the community is by way of employment.

Now, with industries largely owned from outside the State, they are simply using the State's land to produce pines, and there is virtually no employment whatsoever in the State. The one return we can hope to get is via various forms of taxation. However, I do agree with the Hon. Mr Davis that ratings should also apply to Government plantations, and the Democrats have said that consistently. As the Minister noted, that is not what this Bill is about.

Members interjecting:

The CHAIRMAN: Order! Everybody will have a chance to enter the debate.

The Hon. M.J. ELLIOTT: There is no need to protract the debate. The issues are indeed quite clear, although some people need a long time to sort them through. I support the Minister's amendments.

The Hon. PETER DUNN: I have heard some of the most convoluted argument this afternoon I have ever heard in my life. The fact is that this amendment is a tax issue; it has nothing to do with trees whatsoever. It is an action that will increase the take by the Government in a very roundabout way.

Members interjecting:

The CHAIRMAN: Order! There is too much audible conversation.

The Hon. PETER DUNN: The Minister will say to local government, 'Having got that much money, we will take some back and give you fewer grants.' In effect, this is a tax imposed by the Government. Any capital tax is a tax on progress, and I am surprised that the Minister is even interested in it. The Minister calls herself progressive, but this is a retrogressive tax. There is nothing surer than that. I am absolutely amazed at the logic of the Minister in relation to imposing taxes on things which people use to improve their property; she really does not understand it. Capital value is probably the worst thing for local government to use as a tax base because, if someone spends a bit of time improving their property or making it a bit more productive and brings more money into the area, they then must pay more for it. That is crazy in anyone's logic.

What is the Minister doing? She is just broadening the matter; she is not restricting anything. If the Minister's argument is right that fruit trees are the only ones on which one must pay tax, the easiest thing would be to exclude them. Do not involve trees at all, because they should not be involved. I will say why. If I have a fruit plantation I must pay capital tax on it, but, if I have a crop, whether it be wheat, barley, oats or a vegetable crop, there is no capital value on that. The Government averages it out over the year, but it certainly does not have a capital value on it, because I might not put it in for five years.

The Minister can take all the advice she wants, but they are the facts and these crops are not taken into account. The value of the land may be taken into account, and the Valuer-General will no doubt say if an area has a higher production. However, that has nothing to do with the crop on the land at the time, so the crop is not taken into account. Yet, if there is a pine forest on it or, for that matter, I put a small patch of gum trees or some other tree on that land in order to lower the watertable, and the value of the land goes up, I will be taxed on it. So, it is a tax on trees.

The Hon. Anne Levy: No.

The Hon. PETER DUNN: How can you say that, Minister? The Minister nods her head and says, 'No'. However, the Minister's clause provides:

> by striking out '(other than fruit trees)' and inserting '(other than commercial plantations)'.

It may be commercial later in its life. I may want to sell the wood from it. It then becomes commercial—

The Hon. Anne Levy: You are talking about a couple of trees, not a plantation.

The Hon. PETER DUNN: You can't drop a watertable with one tree, either, Minister. You are showing your ignorance. You cannot lower a watertable with one tree—significantly, anyway—but you can with a considerable number of trees. The Murray River is a perfect example of that: it is a tax on trees—nothing more, nothing less. So, the Minister should not kid herself. By including this definition under capital gains, it becomes a tax on trees. The Minister shakes her head, but the definition proposed by this amendment puts a tax on every tree that is grown if it becomes commercial. One of these days, a judge will determine what is 'commercial' and, when he does, God help you, because you will start paying more rents, rates, water rates and land taxes—the whole works.

It is reasonable to assume that someone may have a decent backyard in the city. I suppose that is the object of this amendment; the Government is trying not to molly-coddle city people. However, someone will get caught up in that as another person is prepared to pay more for that piece of land because it has some nice trees on it. They may be commercial trees. Who knows? The definition relates to the word 'commercial', and if the Minister cannot work that out we are in for a pretty sad time. If I were to put in several acres of gum trees to control the drift problem—which is more likely in my area than a water table problem—and those trees later assumed commercial value, it is reasonable to assume that the capital value of my property

would increase and I would pay more tax on it. So, the Minister's argument does not hold water; it is a tax on trees.

The Democrats seem to have left us again; they do not appear to be taking much interest in this debate. I thought they were here defending the patch of the greenies.

The Hon. L.H. Davis interjecting:

The Hon. PETER DUNN: Yes, but they are not here. What my colleague said about pine forests is exactly true: it is unfair. The argument used by the Minister about whether one Government department should tax another Government department does not mean a thing, because this is taxing—

The Hon. Anne Levy: No, one level of government.

The Hon. PETER DUNN: Well, one level of government taxing another level of government. I agree with that argument—

Members interjecting:

The CHAIRMAN: Order!

The Hon. PETER DUNN: —but it has nothing to do with this matter, except that the Minister is seeking to impose a totally new tax on private individuals. They do not have to pay that tax now, but the Government is imposing a totally new tax. Furthermore, the Government does not spend a razoo outside their own pine forests, 90 per cent of which are for the use of the Government; that is, to get the timber in and out of the forest. They do not contribute much directly to the community.

As my colleague said, it has continued to fall away at a very rapid rate. There is no obligation; councils cannot make the Government do anything. It all depends on the goodwill of the Government if it owns those forests. If they were fair dinkum about it they would contribute the equivalent amount of what is supposed to be taxed by local government and put that into the local government coffers to let them spend it on roads and other social benefits such as libraries and other local government amenities. So, it is a nonsense to say that it does not affect them—it does, because the Government is imposing a totally new tax on these people. For those reasons I am unable to support the Minister's amendments, but I indicate my support for the Opposition's amendments.

The Hon. ANNE LEVY: I do not want to discuss taxing between Governments as part of this Bill—I am sure that we will have such discussions later in the year; nor do I wish to enter into a debate on the whole philosophy of taxation. However, I point out that the Hon. Mr Dunn is quite wrong when he says that this will mean more money for Government. In the first place, all this is doing is establishing the value of land used by local government—and not by State Government—to determine rates. However, it does not necessarily mean that local government will get an extra cent. All it means is that the valuations across a council area will be redistributed and the amount of money raised by a local council by means of rates will depend on the rate in the dollar that is struck.

With or without this legislation, councils will be able to raise exactly the same amount of money; it just depends on what rate in the dollar is struck. However, by including all commercial development on land, it will mean that the rate burden may be distributed differently amongst different ratepayers in that council area; some people will pay more than they pay now and others will pay less. The total amount that a council will raise depends entirely on the rate in the dollar that it strikes. That rate may be struck each year to either increase or decrease the council's take or to keep it the same. This legislation does not mean that councils will get more money; it merely means that there may be a redistribution of how it is contributed by different ratepayers.

The Hon. L.H. DAVIS: The Minister is seeking to strike out the words 'fruit trees' and to insert 'commercial plantations' in lieu thereof. I think it is a fair question to ask the Minister for her definition of 'commercial plantations'. We have yet to have an answer. I have asked the Minister not so *sotto voce* across the Chamber what she meant by 'commercial plantation' and what would be brought in under that amendment. I think it is relevant to know just how wide the definition is. We have been told that it includes pine plantations. We have debated that point, and I accept it. I want also to take up the point made by my colleague the Hon. Peter Dunn which is relevant and which will become increasingly relevant, namely, that there will be woodlotting not only to combat environmental degradation such as drift—

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: Hold it! Just listen! You are exposing your ignorance, and that is not all.

Members interjecting:

The CHAIRMAN: Order!

The Hon. L.H. DAVIS: —and, of course, growing trees to combat salinity in the River Murray.

The Hon. M.J. Elliott interjecting:

The Hon. L.H. DAVIS: Wait a minute! Just listen. I have spoken to people in the environmental arena about those two areas. The Hon. Michael Elliott, who apparently is the green-fingered representative of the Democrats in this Chamber, shakes his head with disbelief. However, I have spoken to people whose judgment I respect and whose livelihood is involved in the environmental area, and they argue that, taking a 10 or 15-year view, it is conceivable that we may be able to combat salinity and change the water table on the Riverland. We may well then—

Members interjecting:

The CHAIRMAN: Order!

The Hon. L.H. DAVIS: —make the judgment that you can sell off some or all those trees. So, that judgment is one that I respect: people involved in greening Australia and other areas such as that say that that is quite feasible. So, I think it is relevant to ask the Minister exactly what she envisages will be covered by 'commercial plantations'. Are plantations limited to trees? I take it that they are limited to trees by the preceding words in the clause, but I want the Minister's assurance on that point.

The Hon. ANNE LEVY: After that long peroration the honourable member has answered his question himself. With my amendment the definition of 'capital value' would be:

> 'capital value' of land means the capital amount that an unencumbered estate of fee simple in the land might reasonably be expected to realise upon sale, but if the value of the land has been enhanced by trees other than commercial plantations planted thereon the capital value shall be determined as if the value of the land had not been so enhanced.

The Hon. L.H. Davis: In other words, you are answering my question about vineyards, aren't you.

The Hon. ANNE LEVY: It is only commercial plantations of trees.

The Hon. R.I. Lucas interjecting:

The Hon. ANNE LEVY: Yes. There are different things to consider. There is the legislation as it now stands; there is the Bill before the Committee; and, there is the amendment to the Bill which I am now moving.

The Hon. Peter Dunn interjecting:

The CHAIRMAN: Order!

The Hon. ANNE LEVY: Raspberries are not mentioned.

The Hon. R.I. Lucas: So they are in?

The Hon. ANNE LEVY: Everything is in. We are talking about the exceptions. The only exceptions are for trees: we are saying that commercial plantations of trees are not exceptions, but all other trees are exceptions. So, trees planted to lower the water table are not a commercial plantation. Trees planted to control salinity only control salinity.

The Hon. Peter Dunn: Does it say that in here?

The Hon. ANNE LEVY: I am advised that that is the definition that would be used. I am told that, if the trees are controlling a problem, the land is not getting worse or better; it is just having a problem controlled. So, the value of the land is not changed because you are controlling a problem.

The Hon. Peter Dunn: I lower the water table and I don't change the value of the land? I know that this is an esoteric science, but that is ridiculous.

The CHAIRMAN: Order!

The Hon. ANNE LEVY: But it is controlling a problem.

The Hon. Peter Dunn: Once it is overcome the value goes up.

The Hon. ANNE LEVY: But if you chop the trees down the salinity would return.

The Hon. Peter Dunn interjecting:

The CHAIRMAN: Order!

The Hon. ANNE LEVY: The value is always what people will pay for it.

The Hon. L.H. DAVIS: The Minister has argued that it is not relevant to talk about this as a taxing measure, which it clearly is. Whilst it does not raise taxes for the State Government, it certainly creates a tax burden for the private sector at local government level. It makes little difference to the private sector whom it pays the tax to; it still pays the tax. What does the Minister believe the likely economic impact will be, in financial terms, in a full year? Clearly, the Government has amended the legislation as a financial measure to benefit—

The Hon. Anne Levy: We have removed an anomaly.

The Hon. L.H. DAVIS: Yes, but it has been introduced as a minor amendment, when clearly hundreds of thousands of dollars, and maybe over $1 million, may be at stake. The private sector will be paying more in council rates. It is impossible for the Government to ignore the economic impact. Why did the Government not communicate with the companies concerned, principally the owners of pine plantations? What estimated financial impact will there be as a result of the introduction of this legislation?

The Hon. ANNE LEVY: I am informed that there was not consultation with individual private landholders but there was consultation with local government. I reject entirely that this Bill means necessarily increased revenue to any level of government. It will obviously have no impact—and I am glad the Hon. Mr Davis agrees with this—on State finances. As far as local government finances are concerned, it will only have an impact if those local governments do not adjust their rate in the dollar. Local government determines its rate in the dollar on the basis of the total valuation of its area and the amount of revenue it wishes to raise by rates: that determines the rate in the dollar. It need not necessarily increase the revenue to local government by 1c. It could, of course, increase it if local governments do not adjust their rate in the dollar, but if they do adjust their revenue remains unchanged. All that is occurring is a redistribution amongst their ratepayers. The benefit of this Bill will be to all the other ratepayers in the council areas where there are significant commercial plantations.

The Hon. L.H. DAVIS: I find it alarming that the Government did not see fit to consult the private companies. It is quite an esoteric argument to say that the rate burden will be spread. Clearly, the penalty will come on the principal forest owners in the South-East and the Barossa, and without any consultation. If that is what the Minister regards as an acceptable communication between government and affected parties, that takes my breath away. I reject the Minister's claim that local government was consulted. I have in my hand a communication from the Local Government Association that I will read to the Minister for Local Government Relations. The covering fax states:

> Copies of or two letters sent to the Minister with concerns about changes to Act for your information.

In other words, the Local Government Association made contact with the Government and the Minister in charge of this legislation. It continues:

> The Local Government Association has not and was not consulted on the proposed amendments.

This, coming hard on the heels of the memorandum of understanding which was made in October 1990, is quite breathtaking because that memorandum of understanding entered into between the Premier of South Australia, one John Charles Bannon, and Malcolm Germein, President of the Local Government Association, was entered into to ensure that the State Government and the Local Government Association were to have:

> ... new relationships reflecting a cooperative approach to the development of the State and the productive and effective provision, planning, funding and management of services for the South Australian community.

That I find just stunning. Let us not get carried away with the snow job that was done in the second reading. This is far-reaching legislation to amend the capital and site value definitions in this manner, to impact severely on certain and important aspects of the community.

It is breathtaking that the Government has had no consultation with either the Local Government Association or the pine forest operators. I can only suggest to the Minister that she convey a message to the Minister of Lands that perhaps she could produce a communications handbook: I expect that it would be full of blank pages.

The Hon. ANNE LEVY: I am informed that the Local Government Association was not consulted before the legislation was drafted, but there have been correspondence and conversations with the LGA.

The Hon. L.H. Davis: Initiated by the Local Government Association, not the Minister.

The CHAIRMAN: Order! The Hon. Mr. Davis has had his opportunity.

The Hon. ANNE LEVY: Also, there has been discussion over many years between the Valuer-General's Office and local councils, which have requested that pine trees be treated the same as orchards. As everyone knows, pine trees are particularly susceptible to fire and thus the presence of pine plantations results in more expense to local government, through the CFS and preparations for firefighting. Many of these councils have felt that, because of the previous definition, pine plantation owners were not contributing their fair share to local government in view of the fact that they involve local government in a fair amount of cost in terms of firefighting. So, there has been long consultation—

The Hon. L.H. Davis: That is an extraordinary argument; they pay a lot more than Woods and Forests.

The CHAIRMAN: Order! The Hon. Mr Davis will come to order. He has had the opportunity to speak. I ask all members to give the Minister the respect she deserves while responding.

The Hon. ANNE LEVY: I can only repeat, Mr Chairman, that there has been considerable consultation over a lengthy period with a number of these affected councils, and they

have raised this issue because of the firefighting implications.

The Hon. Anne Levy's amendment and the Hon. L.H. Davis's amendment that paragraph *(a)* be struck out carried.

The Committee divided on the Hon. Anne Levy's amendment to strike out paragraph *(b)*:

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

Noes (10)—The Hons J.C. Burdett, L.H. Davis (teller), Peter Dunn, K.T. Griffin, J.C. Irwin, Diana Laidlaw, R.I. Lucas, Bernice Pfitzner, R.J. Ritson and J.F. Stefani.

Majority of 1 for Ayes.

Amendment thus carried.

The Hon. Anne Levy's amendment to insert new paragraphs *(a)* and *(b)* carried.

The Hon. L.H. DAVIS: Because of the Australian Democrats' view, I will not pursue the further amendments to clause 3 that I have on file.

Clause as amended passed.

Clause 4 passed.

Clause 5—'Valuation on request.'

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

Page 2, lines 4 to 14—Leave out paragraph *(b)*.

This clause gives the Valuer-General the power to value land at the request of any person for a fee, which the Valuer-General may then recover from any person, which presumably means the person who requested the valuations. I understand that the Local Government Association has expressed some concern about the methodology of the Valuer-General in determining inspections. Very often no physical inspection is made of properties valued by the Valuer-General's staff; they simply rely on recent sale figures from a few properties nearby. I guess one can ask whether that creates some anomalies, so I merely raise the issue.

The Hon. ANNE LEVY: I certainly oppose this amendment. This clause is designed to help country people, in particular, and I certainly hope that the Hon. Mr Dunn would not be a party to anything that disadvantages people in the country. The clause provides that the Valuer-General—

Members interjecting:

The CHAIRMAN: Order!

The Hon. ANNE LEVY: The clause provides that the Valuer-General may value for private persons under certain circumstances. The reference to a private person, or person as in the Act, is meant to cover councils and private persons when no licensed valuer is available in the area. The number of licensed valuers resident outside the metropolitan area is declining very rapidly. At the moment if people in rural areas want to get a valuation of their land, they cannot use the services of the Valuer-General, although he does have officers spread throughout rural areas. They have to pay the extra cost of bringing a valuer from Adelaide to carry out the valuation for them. This adds enormously to the expense for a private person getting his land valued.

This clause has not been included with the idea of taking business away from private valuers. Quite clearly, it is to help country people where no licensed valuer is readily available. As I indicated, this measure has been included for the purpose of assisting country people to obtain a valuation of their land without having to pay the extra costs of bringing a valuer from the metropolitan area. There is no compulsion to use the Valuer-General's services. Quite obviously, it will merely be an option for them if they wish to use it.

The Hon. M.J. ELLIOTT: I will save the Liberal Party the embarrassment of having its amendment accepted, thereby harming country people, by opposing it.

The Hon. PETER DUNN: How will the rates be set? Will they be equivalent to those of a private valuer? If that is going to be the case, what is the difference?

The Hon. ANNE LEVY: It will be exactly as prescribed in the Act, that is, the rates which currently apply.

Amendment negatived; clause passed.

Clause 6—'Repeal of section 20.'

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

Page 2, line 20—Leave out 'repealed' and substitute 'amended by inserting after its present contents (now to be designated as subsection (1)) the following subsection:

(2) The Valuer-General must, on payment of the prescribed fee, provide a person who requests a copy of the valuation list or of a part of the valuation list with such a copy.'

The Hon. ANNE LEVY: I oppose the amendment. There is no need for a hard copy valuation list. The valuation roll is on computer files and these are now readily accessible at all regional offices. As set out, this would be most undesirable. It would enable any person to have free access to all valuation information that relates to another owner's property in South Australia.

The Hon. Peter Dunn: You can do that now.

The Hon. ANNE LEVY: In response to the Hon. Mr Dunn's interjection, I advise that it is not true that anyone can have free access to information about other people's valuations.

The Hon. Peter Dunn: I did not say that.

The Hon. ANNE LEVY: It has been changed.

The Hon. Peter Dunn: I said that it is available now.

The Hon. ANNE LEVY: You can obtain the valuation of your own land at no cost whatsoever but, if you want the valuation that has been put on somebody else's land, you cannot get it for free. To a large extent, this anticipates clause 15 *(b)*.

The Hon. M.J. ELLIOTT: These amendments arrived on the table this afternoon, and the Liberal Party has not lobbied me on any of them at all to suggest that any are crucial. In relation to this amendment, members of the Liberal Party have not produced any convincing argument to suggest that it needs to be accepted. The Minister has not said much the other way, either. In the absence of profound arguments, I do not see any great need to support it.

The Hon. PETER DUNN: I am amazed at this argument. Just a little while ago the Minister said that she would not accept an amendment, that she wanted her amendment because she wanted to make it cheaper for country people. Yet here is a situation where someone can ring up and say, 'I'll pay you a fee, send me out my valuation please.'

The Hon. Anne Levy: No, 'Send me Peter Dunn's valuation.'

The Hon. PETER DUNN: I can do that now. I can go to a real estate person for a valuation, pay the fee and get it. It is on line; it will come up on a screen in front of me. There is no difference, so why not include this? I find that argument a bit convoluted.

The Hon. ANNE LEVY: We are not opposing the principle of getting someone else's valuation on paying the prescribed fee. We are attempting to repeal section 20 of the principal Act because it will all be put together in clause 15 *(b)* further on. We are not removing that principle.

Amendment negatived; clause passed.

Clause 7—'Copies of valuation rolls, etc., to be supplied.'

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

Page 2, lines 23 and 24—Leave out paragraph *(a)*.

We on this side of the Chamber have become used to seeing the Government sneakily increase fees and other charges to an often unsuspecting public in South Australia. With this clause, we see that the Government is seeking to remove from parliamentary scrutiny the fee that is fixed by regulation. Clause 7 *(a)* seeks to have the fee paid by people inspecting the valuation list to be approved by the Minister. We do not accept that. We believe that it should be subject to parliamentary scrutiny, and I believe there is a very strong argument in that direction.

The Hon. ANNE LEVY: The Government opposes this amendment. What the Government is attempting to do is in accord with the general policy of deregulation—to remove as much as possible from regulation. The fees and charges are being removed from regulation to be approved by the Minister. There are plenty of precedents; it is not something new.

The Hon. L.H. Davis: Leave all the other regulations but just take that one out.

The CHAIRMAN: Order! The honourable Minister.

The Hon. ANNE LEVY: Plenty of other regulations are also coming out. If members had read the Bill, they would see that all sorts of forms in triplicate and so on are coming out. It is part of deregulation. It is certainly not a precedent. The fees and charges proposed here are set in exactly the same way as they are in the Fisheries Act, the Metropolitan Milk Supply Act, the Mines and Works Inspection Act, the Petroleum (Submerged Lands) Act, the Road Traffic Act, and so on. No precedent is being set whatsoever, and it is part of the policy of deregulation.

The Hon. M.J. ELLIOTT: I am not sure how it can be called deregulation. The fee still exists. The only change is how the fee is set.

The Hon. Anne Levy: Not by regulation.

The Hon. M.J. ELLIOTT: Deregulation does not mean getting rid of regulations subject to law. It has a much wider meaning than that. The fact is that the fee will still be set and, wherever possible, I would like to keep parliamentary review of the actions of Governments, and I will support the amendment.

The Hon. PETER DUNN: I do not know what gives the Minister the right to set the fee, because she will only take advice from public servants. If they want to do a Sir Humphrey on her, they will. I do not see why it should not come back to the elected representatives. If the public do not like it, they will kick us out and somebody will lower the fees. There is no control over this. The Minister has the total right—it says so, and that is dangerous.

The Hon. ANNE LEVY: I draw the attention of members to the fact that this is making the Valuation of Land Act consistent. Section 17 (4) of the principal Act provides that, for the time being, the fees are approved by the Minister. I put it to members that it would be ridiculous to have two forms of setting fees in the one Act relating to the same topic.

The Hon. Peter Dunn: Take out 17 (4).

The Hon. ANNE LEVY: That is not part of the Bill. That cannot be done, because we have not moved an instruction.

Amendment carried; clause as amended passed.

Clause 8—'Heritage land.'

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

Page 3:

Line 1—Leave out 'and'.

After line 6—Insert—

and

(e) by inserting after subsection (7) the following subsections:

(8) Where—

(a) land forms part of the State heritage;

and

(b) more than one-eighth of the surface area of the land is covered with native vegetation,

the land is exempt from rates, land tax and other imposts under the law of the State.

(9) The Treasurer must reimburse any council for loss of revenue resulting from the exemption under subsection (8).

Section 22b of the principal Act, dealing with heritage land, is to be amended to require that a valuer places a value on land which forms part of the State heritage. That may well be because, at the moment, the Department of Lands does not place any value on large tracts of land that are under heritage agreements. Presumably that would include tracts of land under native vegetation clearance control legislation. I presume that it would not necessarily include national parks. I am interested in whether it concerns native vegetation clearance control land or national park land as well. Perhaps the Minister could clarify that point.

I understand that the Minister of Lands has had representations from the Local Government Association about this clause, making the point that councils, particularly in rural South Australia, quite often lose large amounts of rate revenue because no rates are paid on heritage land. What is the impact of this amendment? Will the Minister clarify exactly what constitutes land forming part of the State heritage as set out in new subsection (1) of section 22b.

The Hon. ANNE LEVY: I oppose this amendment because it is totally unnecessary. The purpose of this provision is both to simplify the wording of the original Act and to enable buildings deemed to be of heritage value by the City of Adelaide but not included on the State heritage list to be prescribed as forming part of the State's heritage for valuation purposes. Currently, only items which are on the heritage list can have that heritage value taken into account in determining valuation. However, this clause is extending the situation so that any heritage building which is on the list of the City of Adelaide heritage list, even if it is not on the State heritage list, can have that heritage classification taken into account in determining valuation. This will be of benefit to the owners of those buildings, as very often heritage buildings, because of their heritage status, have less developmental potential than buildings which are not of heritage classification and so end up with a higher valuation.

Furthermore, the part of Mr Davis's amendment which refers to heritage agreements is quite unnecessary because the South Australian Heritage Act, passed in 1985, makes quite clear that any land for which there is a native vegetation heritage agreement is already exempt from rates. There is no need to put it into the valuation Act because it is already in the Native Vegetation Act.

The Hon. PETER DUNN: As I understand the effect of clause 8, it can either increase or decrease the value for rating purposes.

The Hon. Anne Levy: Decreasing.

The Hon. PETER DUNN: Only decreasing?

The Hon. ANNE LEVY: It is most unlikely that there will be increases. People complain because they have a heritage property, and they cannot do anything to it.

The Hon. PETER DUNN: Yes, I understand that they cannot make alterations to it because it is under a heritage agreement. However, it has been said to me that, because it is a heritage agreement and that cannot be shifted, the value can go up.

The Hon. Anne Levy: But not in practice. It would only be—

The Hon. PETER DUNN: That is exactly right. If two persons require that piece of land because they want a heritage piece of land, the value is likely to go up. I do not

know whether the Minister's argument is exactly correct, and that is why we have put it in.

Suggested amendment negatived; clause passed.

Clause 9—'Notice of valuation.'

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

Page 3, line 10—After 'valuation' insert ', and of the difference (if any) between the present and the previous valuation,'.

I refer to the concerns of the Local Government Association which, of course, is responding to this Bill, even though there has been no consultation from the Minister. It makes the point that one of the problems isolated during a number of seminars held on rating and valuation was that many ratepayers simply did not know what valuation had been placed on their properties until they received their rate notices. This, understandably, has caused problems not only for the ratepayers but also for the local councils. The association makes the point that councils fulfil this function on behalf of the State Government without any consultation whatsoever. It has expressed concern in that way and, for that reason, I have moved my amendment.

The Hon. ANNE LEVY: I oppose the amendment. To suggest that as well as owners receiving a notification of the value of their land they should also receive notice of the increase in value is quite superfluous. What is important at any time is the value of that piece of land. If people are particularly interested in the amount of increase or decrease they can check on previous valuations and do the arithmetic themselves. It is quite unnecesary to insist that such information be provided to every person in the State who receives a valuation of their property.

The Hon. M.J. ELLIOTT: I am not really fussed about the amendment as such, but it seemed to me that most valuation notices would be coming from a computer these days, and it is only a matter of a few more dots of ink being thrown on the end of the notice. The computer would not spend a great deal of time doing it. I would not have thought that it was an additional cost. Would any additional cost be involved in that procedure?

The Hon. ANNE LEVY: There would be a cost. Obviously, there would be the cost of changing the computer system to put in not only the current value but also past values. These notices are sent out not by the Valuer-General but by each council. So, every council in the State would have this extra cost to change its system to give information that is certainly not required by the majority of people. It would mean that each council would have to make the change—to change its forms and so on.

The Hon. L.H. DAVIS: I do not think the Minister can say with certainty that it is not required by the majority of people. In fact, at the rating and valuation seminars people expressed concern about the value of their properties. I think it is relevant for people to be able to compare values. A lot of people, as the Minister would know, would not necessarily have ready access to last year's valuation.

The Hon. Anne Levy interjecting;

The Hon. L.H. DAVIS: They may well, certainly; I accept that. But I would have thought that in this computer age, as the Hon. Michael Elliott said and as perhaps Ritchie Benaud would say, it is not a big 'ask' for the Government to accommodate this request.

The Hon. ANNE LEVY: I merely stress that it is not the Government; it will be councils that must accommodate this request. I very much doubt that the Hon. Mr Davis has consulted with any council or with the LGA on a matter that affects councils. He should check *Hansard* a few pages back.

The Hon. M.J. ELLIOTT: Can the Minister inform the Council in what form the valuations will be transferred to local government? Are they transferred by disc or as hard copy?

The Hon. ANNE LEVY: On disc and on tape.

The Hon. PETER DUNN: I am surprised about this. Years ago, when we used to get quinquennial assessments—that is, once every five years—we used quite often to get a plus or a minus on the form. I remember that the little pink forms had a plus or minus on the bottom of them. The council might have put it there, but they were actually sent out by the Valuer-General's Department. In today's modernity if I were to get a balance sheet from my bank that did not have a plus or minus on it, I would be in a bit of bother. It is not very difficult for councils to do that once a year. They will have on the disc information about this year and last year; the discs are on computers and can be read and printed very quickly. The additional cost would be zilch.

The Hon. ANNE LEVY: Certainly, in the past individual notices were sent to every property owner in South Australia. However, there is doubt about whether or not that ever showed the difference. It is suggested to me that the assessments had only the current value on them, which is what is important. To do that again would cost $1 million. That is not an expense that the taxpayers of South Australia need.

The Hon. M.J. ELLIOTT: I have not had people beating down my door asking for this facility urgently, but I can see some value in it.

The Hon. L.H. Davis: There are a few other issues at the moment.

The Hon. M.J. ELLIOTT: Yes, there are a few other issues around at present. I suppose that, if there is additional cost, the major one would be to any council that had printed its forms recently and would have to have an entirely new form printed. I think that some of the smaller councils would not be very tickled by that notion. I think it is an interesting idea. I do not think that in these days of computers it is a difficult task, but I think that it is best that I oppose the amendment at this stage. However, the notion is perhaps worth considering at a later time.

Amendment negatived; clause passed.

Clause 10—'Parcels of licensed values.'

The Hon. L.H. DAVIS: I restate a concern that the Liberal Party has had about several of the clauses in this legislation to amend the Valuation of Land Act. We are again removing allowances from parliamentary scrutiny and giving the Minister the power to approve the allowances rather than prescribing them by regulation. The Liberal Party does not accept that.

The Hon. ANNE LEVY: The Government supports the clause.

Clause negatived.

Clause 11—'Review of valuation.'

The Hon. L.H. DAVIS: This is a similar clause, and I expect that, in view of the Democrats' consistent support for two previous clauses of this kind, we will achieve a similar result. The Opposition opposes the clause.

Clause negatived.

Clause 12—'Saving provision.'

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

Page 3—

Line 21—After 'amended' insert:

—

(a)

After line 25—Insert:

and

(b) by inserting '(together with interest at the prescribed rate)' after 'shall be refunded'.

No provision exists in law to compensate a citizen for the interest that would have to be paid on borrowings to meet

the impost in the first place. We believe that that should be taken into account, thus we have introduced an amendment to that effect.

The Hon. ANNE LEVY: I oppose this amendment very strongly. It will mean that, if a ratepayer pays his council rates, objects to the valuation, gets a lower valuation and hence is entitled to a refund from the council, the council will have to repay with interest. I very much doubt whether the Hon. Mr Davis has consulted with the LGA on this matter. It would be of critical importance to local government. It is not a question of when the LGA was consulted; it has not been consulted, even now. Certainly not at any other time has the LGA been consulted on this matter.

I do not think it would be fair to penalise councils as a result of an action over which they have no control whatsoever. A valuation is provided on a piece of land; the council receives a rate resulting from that valuation. If the ratepayer appeals against the valuation and the valuation is reduced, the income to the council is reduced. The council then has to refund that money, but I do not believe that it should incur the extra impost of paying interest on that money when the time for which the council might have had it is quite beyond its control. The change in valuation which would result in the council owing the ratepayer would be quite beyond its control, and I think this impost would be a most unfair penalty on the local council, particularly without any consultation whatever.

The Hon. M.J. ELLIOTT: An interesting notion has been proposed within this amendment. Government bodies have a habit of charging interest if the ratepayer is late and the notion of being able to do it back, at least on the face of it, is somewhat attractive. However, I do not support this amendment. It is an idea that is probably worth exploring in more detail later, but I suggest that the amount of money involved would be a pittance. By the time the re-valuation was made, in most cases a large sum of money would not be involved; by the time of the actual change in the rates and by the time a percentage of interest operating on those rates was determined, only a nominal figure would be at issue and it would not be worth the bother.

The Hon. PETER DUNN: Everyone is looking after local government and no-one wants to look after the ratepayer. As for the Minister saying that the Opposition has not consulted, I would like to challenge her to bet her superannuation, on whether we have contacted local government about this. I suggest that she probably will not—

The Hon. Anne Levy: This is something that affects local government. Mr Davis gave us a lecture about something that might affect local government, but the LGA has not been consulted.

The Hon. PETER DUNN: That is quite right; he was quite right in what he said and what he did. If a local council deliberately set its rates high, was challenged and dropped them; it could make a fortune and not have to pay it back. I admit that it is unlikely (it would not be in government the next time), but the fact is that it could happen—a one-off. There may be a couple of noughts stuck on the end of the valuation and the ratepayer would have no choice but to pay that amount. He will probably pay a considerable amount of interest. I do not know whether the Minister is interested; she is more interested in the person in front of her. I suggest there could be an anomaly. A ratepayer might have to pay a considerable sum of money. Therefore, why should local government not pay it back if it has had the use of the money and interest?

The Hon. Anne Levy: They pay it back.

The Hon. PETER DUNN: They do not under the Bill. They do not have to pay back the interest. They pay back the amount, but not the interest.

The Hon. Anne Levy: Yes.

The Hon. PETER DUNN: Why should they not pay back the interest? They have had the use of the money. If local government invests money in a common fund and gets a good rate of interest on it, why should it not pay it back? That is cheating—not Keating. But they are both the same.

The Hon. L.H. Davis: It is a silent 'c'.

The Hon. Anne Levy interjecting:

The Hon. PETER DUNN: That is not a penalty; it is paying back what is owed to people. They have invested that money and got interest on it. To say that that is not a penalty is not correct.

Suggested amendment negatived; clause passed.

Clause 13—'Returns.'

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

Page 3, lines 32 and 33—Leave out 'such questions as the Valuer-General may determine' and insert 'questions authorised by the regulations'.

The Hon. ANNE LEVY: I oppose this amendment. I do not think this is—

Members interjecting:

The CHAIRMAN: Order!

The Hon. ANNE LEVY: This is not comparable with the others where the Opposition has insisted that things not be as approved by the Minister. This is a different matter. In clause 13 we are trying to get rid of this vast number of forms. This surely means simpler government and is in line with what I thought everyone would agree with—the simplification of forms and procedures, which comes under deregulation. We discussed this in the select committee on human remains. It is a question of simplification, and it seems unnecessary to bring in regulations for determining questions. It is not a question of fees which people may regard as highly important: it is just questions.

The Hon. M.J. ELLIOTT: I was not convinced by the lengthy and powerful arguments put forward by the Hon. Mr Davis on this amendment. Unless he has anything further to add to the argument, I shall not be supporting the amendment.

Amendment negatived; clause passed.

Clause 14 passed.

Clause 15—'Copies of or extracts from entries in valuation roll.'

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

Page 4, lines 3 to 5—Leave out paragraph *(a)*.

I know that I will not need a long and powerful argument to convince the Democrats of the need to delete paragraph *(a)*. This is another so-called deregulatory move by the Government under the guise of higher taxation and charges.

The Hon. M.J. ELLIOTT: I support the amendment.

Amendment carried.

The Hon. ANNE LEVY: I move:

Page 4, lines 7 to 13—Leave out subsections (3) and (4) and substitute:

(3) The Valuer-General must publish information as to land value in such forms as the Valuer-General thinks appropriate and make publications containing such information available for purchase at prices approved by the Minister.

(4) The Valuer-General must—

(a) at the request of the owner of land, permit the owner to inspect, free of charge, entries in the valuation roll relating to that land;

(b) at the request of any person, and on payment of a fee approved by the Minister, provide that person with information from the valuation roll as to the value of land.

The purpose of the amendment is to maintain the public's right of access to information as to land value, first, by

removing the Valuer-General's discretion as to the publication of such information and requiring the Valuer-General to publish such information and make publications containing such information available for purchase. Secondly, it requires the Valuer-General, at the request of any person and on payment of a fee approved by the Minister, to provide that person with information from the valuation roll as to the value of the land. It ensures that valuations must be available in a published form. Every person has the right free of charge to obtain the valuation of their own land, but a fee must be paid for obtaining information regarding the valuation of other people's land.

The Hon. L.H. DAVIS: The Opposition supports the amendment with one proviso, and I move to amend the Hon. Anne Levy's amendment as follows:

Page 4, lines 7 to 13—Leave out 'a fee approved by the Minister' and insert in lieu thereof 'the prescribed fee,'.

This will maintain the consistency that we have brought into this legislation. I assume the Democrats will support the amended amendment.

The Hon. ANNE LEVY: I will oppose that, *sotto voce.*

The Hon. PETER DUNN: I have seen it all this afternoon. We had the Minister putting up an argument exactly opposite to that which she just put up to defeat the amendment to clause 6 that we tried to move earlier in the day. She put up all the arguments in the world that she did not want the public to look at any other person's valuation. I do not think the Government really knows what it is doing with this Bill, as with the other legislation.

The Hon. M.J. ELLIOTT: I support the amendment along with that which has been moved by the Hon. Mr Davis.

Amendment to amendment carried; amendment as amended carried; clause as amended passed.

Remaining clauses (16 and 17) and title passed.

Bill read a third time and passed.

WORKERS REHABILITATION AND COMPENSATION ACT AMENDMENT BILL (No. 2)

Adjourned debate on second reading.

(Continued from 19 February. Page 3011.)

The Hon. J.F. STEFANI: I welcome the opportunity to speak to this Bill. In his contribution, the Hon. Trevor Griffin covered the many areas of concern on which the Liberal Party has received representations and which will be addressed by a series of amendments to be moved by the Liberal Party. Since its inception in 1987, WorkCover has had a very controversial existence. Employer groups have been most critical of the haste with which the Workers Rehabilitation and Compensation Act was originally changed, by the Labor Government, and the way in which WorkCover has performed since it was established.

Right from the outset the Liberal Opposition has expressed serious concerns about the effectiveness and efficiency of the WorkCover scheme. The Liberal Party has repeatedly highlighted potential problem areas, including the question of funding liabilities, workers rehabilitation programs, employer levies, costs of administration, and the overall costs of rehabilitation, which should be measured against the results of returning injured people to their jobs.

From the promise of a fully funded scheme, the community has seen a massive accumulation of unfunded liabilities, which have grown from $18 million to $150 million in little over two years, and present estimates have placed the unfunded liabilities at over $200 million. Obviously, to cover this huge blow-out employers have been called upon to pay higher levies, and in a good number of instances levies have almost doubled from 4.5 to 7.5 per cent.

Over the past two years we have seen a write-off of more than $12 million, due to a bad management decision relating to the installation of computer equipment. These extra costs were paid from employers' levies, effectively increasing the amount of unfunded liabilities by the amount which has been wasted on redundant computer equipment. Of course, we have seen the huge escalation in the cost of rehabilitation, which has grown from $4 million in 1989 to nearly $11 million in 1990, without achieving satisfactory results in the area of rehabilitation and returning injured workers to a job.

I am very sympathetic towards the many injured people who are caught in the web of the WorkCover system and who, through their injuries, are being used as guinea pigs in a rehabilitation scheme which is open-ended and which is not judged on its performance for achieving the real objective, namely, the return to work of injured people. Many of these workers actually have no jobs to return to, because their employers have gone into liquidation through the pressures caused by Labor's high interest and high taxing policies, which have caused recession throughout the land and which have destroyed many thousands of jobs, on a weekly basis, throughout Australia.

In real terms, WorkCover has been a total disaster right from the start. It will continue to take injured people to the brink of stress and despair during the period of their incapacity. The present system is flawed because it allows for compensation payments to be made for a second job as well as for compensation for the average weekly earnings, including overtime, normally earned by a worker before sustaining an injury. The Bill before the Parliament is an attempt by the Government to fix up a financially flawed corporation which has been operating out of control for a number of years and which, because of its unique single insurer monopoly status, has increased its levies and charges to the majority of employers in order to cover its extravagant mistakes and inefficiencies.

Until the WorkCover Corporation is prepared to really address the problems of its operation, including the operation of its rehabilitation providers, and to review the total system of workers compensation and rehabilitation, we will continue to have placed before us legislation attempting to rectify the inherent problems of a failed scheme. On the other hand, it is acknowledged that, without the full cooperation of all employers and employees alike, the problems arising from workplace injuries will continue to cause a great deal of distress and concern to both employees and employers.

In an effort to address the inherent problems of the WorkCover system, my colleague the Hon. Trevor Griffin will move a series of amendments that will attempt to rectify some of the faults in the existing legislation which, in turn, affect the cost and system of compensation operated by WorkCover. I stress that the present bandaid measure proposed by the Government will do little to stem the haemorrhage of the existing WorkCover system and the associated blow-out of unfunded liabilities.

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

PHARMACISTS BILL

Second reading.

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

That this Bill be now read a second time.

In view of the hour and the fact that this matter has been dealt with in another place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

This Bill seeks to repeal the Pharmacy Act 1935 and to introduce new legislation in line with the modern regulation of professions.

Since the proclamation of the present Act, there have been enormous changes in the practice of pharmacy. It was enacted at a time when the profession was very much involved with extemporaneous dispensing. This was before the use of sulpha drugs. penicillin, and the other antibiotics and the plethora of other substances now used to treat conditions such as blood pressure and heart disease. The advent of these new substances has meant that many changes have occurred in dispensing practice and in the responsibilities of the pharmacist.

Dispensing no longer relies so much on the manufacture of medicines by the pharmacist. The pharmacist's role has changed to that of being the community's safe custodian of a huge group of toxic, potent preparations that were unheard of in 1935. The pharmacist's duty is not only to see that the patient is supplied with the correct product and strength ordered, but also to check for interactions and adverse drug reactions. Patients now need counselling to ensure that they take prescribed medicine correctly to achieve the required therapeutic effect.

The Bill seeks to build upon the high standards of service of the profession by requiring that the Pharmacy Board must exercise its functions primarily in the public interest, ensuring that the community is adequately provided with pharmaceutical services of the highest standard and achieving and maintaining professional standards of conduct and competence.

To this end the Pharmacy Board itself is to be reconstituted, from being a body wholly elected by pharmacists to a Board appointed by the Governor from nominations from various organisations within the profession and by the Minister. This will readily enable the views of the whole spectrum of the profession to be brought together. One of the ministerial nominees is to be a legal practitioner and one will be a person to represent the views of consumers. The size of the Board will be increased by one, to eight members, with six of those members being registered pharmacists.

For the first time, the functions of the Board are clearly delineated in the Act. Along with the registration and professional discipline of pharmacists, the Board is charged with exercising a general oversight of the standards of the practice of pharmacy, reviewing the laws relating to pharmacy and monitoring standards of instruction and training for pharmacists. The Board, in exercising these functions, must do so with a view to ensuring that the community is provided with services of the highest standard and that professional standards of competence and conduct are maintained.

Eligibility for registration as a pharmacist is based on prescribed qualifications and experience. However if the Board considers that a person is unable to fulfil such criteria, it may grant limited registration to such a person. This can be done to enable the person to gain further qualifications or experience, or to do whatever is necessary to be eligible for full registration. Such limited registration is also available where a person does not meet full registration requirements, but, for example, comes to South Australia to conduct a teaching or research program. Similarly, the Board can grant limited registration if it considers it is in the public interest to do so. In all such cases the Board is able to attach conditions to the registration.

In line with other health profession registration Acts, the Bill provides for the registration of companies. Strict requirements for such registration follow the legislative scheme adopted in the Medical Practitioners Act 1983 and the Dentists Act 1984.

With advances in technology and the introduction of new drugs and substances, the Board is particularly anxious to ensure that people who have not practised for some time should update their knowledge and skills. A provision is therefore included to require a person who has not practised for three years or more to first obtain the Board's approval. Before granting approval, the Board may require the person to undergo a refresher course.

In order to ensure that adequate standards apply in relation to the physical environment of premises, the Bill prohibits pharmacy being carried out except at premises registered by the Board.

The current limitation on numbers of pharmacies which may be owned by a person and by the Friendly Societies Medical Association are carried over into this Bill. It is also made clear that work carried out in a pharmacy must be done under the direct and constant personal supervision of a registered pharmacist. These provisions are aimed at ensuring optimal professional standards.

In line with other health profession registration Acts, there is an obligation on a medical practitioner to report to the Board mental or physical incapacity of a pharmacist he or she is treating if it is believed that the incapacity is such that it will seriously impair the pharmacist's work performance.

Another provision aimed at protecting the public is the automatic suspension or cancellation of registration of a pharmacist whose registration has been cancelled or suspended interstate. Suspension or cancellation only occurs in relation to serious offences. The public should not be placed at risk of a practitioner 'struck off' in another State, immediately coming to South Australia where he or she is also registered and taking up practice.

The role of the professional is under increasing scrutiny. The provisions of the Bill make a significant contribution towards increased public accountability of the profession of pharmacy. It has been prepared in consultation and with the co-operation of the profession.

The provisions of the Bill are as follows:

Clauses 1 and 2 are formal.

Clause 3 repeals the Pharmacy Act 1935.

Clause 4 is an interpretation provision. 'Pharmacy' is defined to mean the supply of a drug or medicine on the prescription of a medical practitioner, dentist, veterinary surgeon or other person authorised to prescribe the drug or medicine.

The remainder of the Bill is divided into the following parts:

Part II The Board

Part III Registration and Practice

Part IV Investigations and Inquiries

Part V Appeals

Part VI Miscellaneous.

Part II, Division I deals with the constitution of the Pharmacy Board.

Clause 5 provides that the *Pharmacy Board of South Australia* continues in existence as a body corporate with all relevant powers.

Clause 6 provides that the Board is constituted of eight members appointed by the Governor—a legal practitioner, a registered pharmacist, a person nominated to represent the interests of persons receiving pharmaceutical services, five registered pharmacists—one nominated by each of the following bodies: the head of the school of pharmacy at the University of South Australia; the Society of Hospital Pharmacists of Australia (S.A. Branch); the Pharmaceutical Society of Australia (S.A. Branch); the Pharmacy Guild of Australia (S.A. Branch) and the Friendly Societies Medical Association Incorporated.

Clause 7 sets out the terms and conditions of membership of the Board. The maximum term of appointment is three years, though a member is eligible for reappointment.

Clause 8 enables the Governor to determine remuneration and expenses payable to members.

Clause 9 disqualifies a member with a personal or pecuniary interest in a matter from taking part in the Board's consideration of the matter.

Clause 10 sets the quorum at five for all matters except investigations and inquiries under Part IV of the Bill. With respect to those matters the quorum is three, two of whom mus be registered pharmacists. The presiding member has a second or casting vote.

Clause 11 empowers the Board to establish committees to advise the Board or to carry out functions on behalf of the Board. A committee may include persons who are not members of the Board.

Clause 12 gives the Board power to delegate its functions or powers (except those relating to investigations and inquiries under Part IV) to a member, the Registrar, an officer or employee or a committee established under clause 11.

Clause 13 provides that a vacancy or defect in membership of the Board does not invalidate its actions.

Clause 14 requires the Board to appoint a Registrar and other officers and employees. Such persons will not be Public Service employees.

Part II, Division II sets out the functions of the Board.

Clause 15 states that the Board is responsible for—

(a) the registration and professional discipline of pharmacists;

(b) exercising a general oversight over the standards of the practice of pharmacy;

(c) keeping under review the law relating to pharmacy and making recommendations to the Minister with respect to that law;

(d) monitoring the standards of courses of instruction and training available to—

(i) those seeking registration as pharmacists; and

(ii) registered pharmacists seeking to maintain and improve their skills in the practice of pharmacy,

and consulting with educational authorities in relation to the establishment, maintenance and improvement of such courses; and

(e) exercising the other functions assigned to it by or under the measure.

The Board is required to exercise these functions with a view—

(a) to ensuring that the community is adequately provided with pharmaceutical services of the highest standard; and

(b) to achieving and maintaining professional standards of competence and conduct in the practice of pharmacy.

Part II, Division III contains administrative provisions.

Clause 16 requires the Board to keep proper accounts of its financial affairs and to have a statement of accounts in respect of each financial year audited.

Clause 17 requires the Board to prepare an annual report to be tabled in each House of Parliament. The report must contain statistics relating to complaints received by the Board and the orders and decisions of the Board.

Part III, Division I establishes criteria for registration.

Clause 18 provides that a person is eligible to be a registered pharmacist if he or she is over 18, is a fit and proper person to be registered, has the qualifications and experience in the practice of pharmacy required by the regulations and fulfils all other requirements set out in the regulations.

The clause further provides that a company is eligible to be a registered pharmacist if the sole object of the company is to practise as a pharmacist (which may include the carrying on of any business traditionally associated with the practice of pharmacy), if certain requirements are met in respect of directors and shareholders and if the memorandum and articles of association are otherwise appropriate to a company formed for the purpose of practising as a pharmacist.

Part III, Division II provides for various kinds of registration and for the process of registration. Clause 19 sets out the procedure for application for registration and enables the Board to require further information from the applicant.

Clause 20 compels the Board to register an applicant if satisfied that the applicant is eligible for registration. The Registrar may provisionally register an applicant if it appears likely that the Board will grant the application.

Clause 21 enables the Board to grant limited registration to—

(a) an applicant who does not have the requisite qualifications or experience or does not fulfil the prescribed requirements in order to enable the applicant to do whatever is necessary to become eligible for full registration or to teach or undertake research or study in the State or if the person's registration is in the public interest;

or

(b) an applicant who has the requisite qualifications and experience but who does not satisfy the Board that he or she is a fit and proper person to be registered unconditionally. The Board can impose any conditions it thinks fit on such registration.

Clause 22 provides that registration must be renewed each calendar year.

Clause 23 enables the Board to vary or revoke conditions attaching to registration of a pharmacist.

Clause 24 requires the Registrar to keep a register of pharmacists which is to be available for public inspection.

Clause 25 requires the Registrar to provide copies of certain information in the register.

Part III, Division III contains provisions relating to the practice of pharmacy.

Clause 26 makes it an offence for an unregistered person to practise pharmacy subject to certain exceptions. The following persons are authorised to practise pharmacy provided that it is through the instrumentality of a registered pharmacist:

(a) a natural person who carried on a business consisting of or involving pharmacy before 20 April 1972, and who has continued to do so since that date;

(b) the Mount Gambier United Friendly Societies' Dispensary Incorporated;

(c) the Friendly Societies Medical Association Incorporated.

The penalty provided is a division 5 fine (maximum $8 000) or division 7 imprisonment (maximum 6 months).

Clause 27 makes it an offence for an unregistered person to hold himself or herself out as a registered pharmacist or to permit someone else to do so. It also makes it an offence for a person to hold out another person as being registered if that other person is not. The penalty provided in each case is a Division 5 fine (maximum $8,000) or division 7 imprisonment (maximum 6 months).

Clause 28 prohibits a person who is not a registered pharmacist from using certain words to describe himself or herself or a service that he or she provides. It also makes it an offence for a person to use those words, in the course of advertising or promoting a service, to describe an unregistered person engaged in the provision of the service. The penalty provided in each case is a Division 5 fine (maximum $8 000) or division 7 imprisonment (maximum 6 months).

Clause 29 requires a registered pharmacist who has not practised for three years, or who has not practised other than through the instrumentality of a registered pharmacist for three years, to obtain the Board's approval before practising again. The penalty provided for not doing so is a division 5 fine (maximum $8 000). The Board is empowered to require the pharmacist to undertake a refresher course or the like and may impose restrictions on the pharmacist's right to practice.

Clause 30 requires a registered pharmacist to have suitable insurance relating to his or her practice. The penalty provided for non-compliance is a division 5 fine (maximum $8 000). The Board may grant exemptions from this requirement.

Clause 31 requires pharmacists to provide the Board with information relating to any claims against the pharmacist for alleged negligence. The penalty provided for not providing such information is a division 5 fine (maximum $8 000).

Clause 32 empowers the Board to register premises as suitable for the purpose of carrying on a business consisting of or involving pharmacy. Registration is renewable annually and the Board may refuse to renew registration if satisfied that the premises have ceased to be suitable. The penalty provided for practising pharmacy at unregistered premises is a division 7 fine (maximum $2 000).

Clause 33 provides that a place at which pharmacy is practised must, whenever it is open to the public, be under the direct and constant personal supervision of a registered pharmacist. The penalty provided for a breach of this provision is a division 7 fine (maximum $2 000).

Clause 34 provides that a person must not carry on a business of pharmacy at more than four places of business. The penalty provided for breach is a division 7 fine (maximum $2 000). A person who is a director or member of a company that carries on a business consisting of or involving pharmacy is to be taken to carry on the business. The provision does not apply to persons who are already carrying on business at more than four places and allows the FSMA to conduct up to 31 shops.

Part III, Division IV sets out provisions of special application to registered companies. The penalty provided for any offence against the division is a division 7 fine (maximum $2 000).

Clause 35 enables the Board to require a company registered under the measure to comply with requirements relating to provisions to be included in the memorandum or articles of association of the company. If the company refuses to comply with a direction of the Board, the company's registration is suspended.

Clause 36 provides that the Board must approve any proposed alteration to the memorandum or articles of association of a company registered under the measure.

Clause 37 prevents a company registered under the measure from practising in partnership, unless authorised to do so by the Board.

Clause 38 provides that any civil liability incurred by a registered company is enforceable against the company and the directors or any of them.

Clause 39 requires registered companies to submit annual returns to the Board and to inform the Board when any person becomes or ceases to be a director or member of the company.

Part IV, Division I empowers the Board to conduct certain investigations.

Clause 40 sets out the circumstances in which an inspector appointed by the Board may investigate a matter. These are where the Board has reasonable grounds to suspect that there is proper cause for disciplinary action against a registered pharmacist, that a registered pharmacist may be mentally or physically unfit to practise pharmacy, or that a person other than a registered pharmacist is guilty of an offence against the measure. Powers are given to an inspector to enter and inspect registered premises (or any other premises if the inspector reasonably suspects that the premises have been used for the practice of pharmacy), to put questions to persons on the premises and to seize any object affording evidence of an offence against the measure.

Clause 41 makes it an offence to hinder or obstruct an inspector or to fail to answer an inspector's questions truthfully. The penalty provided is a division 7 fine (maximum $2 000). The privilege against self-incrimination is preserved.

Clause 42 obliges a medical practitioner to report to the Board if of the opinion that a registered pharmacist being treated by the practitioner is suffering an illness that is likely to result in mental or physical incapacity to practise pharmacy. The penalty provided for not doing so is a division 7 fine (maximum $2 000).

Clause 43 empowers the Board to require a registered pharmacist to submit to a medical examination relating to the pharmacist's mental or physical fitness to practise pharmacy.

Part IV, Division II empowers the Board to conduct certain inquiries.

Clause 44 sets out the circumstances in which an inquiry may be conducted. The first is to determine whether a registered pharmacist is mentally or physically unfit to practise. If the Board is satisfied that the pharmacist is mentally or physically unfit to practise pharmacy or to exercise an unrestricted right of practice, it may impose conditions restricting the right of practice, suspend the pharmacist's registration for up to three years or cancel the pharmacist's registration. The second circumstance in which an inquiry may be conducted is to determine whether there is a proper cause for disciplinary action against a registered pharmacist, namely, whether the pharmacist's registration was obtained improperly; the pharmacist has been convicted, or is guilty, of an offence against the measure or offence involving dishonesty or punishable by imprisonment for one year or more; or the pharmacist is guilty of unprofessional conduct. The regulations may specify conduct that will be regarded as unprofessional. If the Board is satisfied that there is proper cause for disciplinary action it may reprimand the pharmacist, impose a division 5 fine (maximum $8 000), impose conditions restricting the right to practise, suspend the pharmacist's registration for up to three years or cancel the pharmacist's registration.

Clause 45 sets out basic procedures to be followed for an inquiry. The Board must give the pharmacist and the complainant at least 14 days notice of the inquiry. Both parties may be represented by counsel. The Board is not bound by rules of evidence and must act according to equity, good conscience and the substantial merits of the case.

Clause 46 gives the Board various powers for the purposes of an inquiry. These include the ability to issue a summons to compel attendance or the production of records or equipment and to compel persons to answer questions. The privilege against self-incrimination is preserved.

Clause 47 enables the Board to order a party to pay costs to another party. The assessment of costs may be taken on appeal to the Master of the Supreme Court.

Part IV, Division III relates to the consequences in this State of action against a registered pharmacist in some other jurisdiction.

Clause 48 provides that a suspension or cancellation of a pharmacist's registration in another State or Territory is automatically reflected here.

Part V provides for a right of appeal against a decision or order of the Board.

Clause 49 provides that the appeal is to the Supreme Court and that the time for appeal is one month. The Supreme Court is given the power to affirm, vary, quash or substitute the Board's decision or order, to remit the matter to the Board and to make orders as to costs or other matters as the case requires.

Clause 50 enables the Board or the Supreme Court to suspend the operation of an order of the Board that is subject to an appeal. PartVI contains miscellaneous provisions.

Clause 51 makes it an offence to breach a condition of registration under the measure. The penalty provided is a division 5 fine (maximum $8 000).

Clause 52 sets out the consequences of a body corporate being found guilty of an offence against the measure.

Clause 53 protects members of the Board, the Registrar, the staff of the Board and inspectors from liability.

Clause 54 facilitates proof of registration of a pharmacist and of any other matter contained in the register of pharmacists.

Clause 55 provides that disciplinary action is not a bar to prosecution for an offence and vice versa.

Clause 56 enables service by post of any notice to be given under the measure.

Clause 57 provides that offences against the measure are summary offences.

Clause 58 provides that any fine imposed for an offence against the measure must be paid to the Board.

Clause 59 provides regulation making power, including power to regulate the standard of pharmacists' premises and equipment, reference works and records to be kept by pharmacists, advertising by pharmacists and the professional conduct of pharmacists. It also contains a specific power relating to the exemption from the Act of companies lawfully carrying on a pharmacy business at the commencement of the Act.

Schedule 1 contains transitional provisions.

Schedule 2 contains a consequential amendment to the definition of 'pharmacist' in the Controlled Substances Act 1984.

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

CHIROPRACTORS BILL

Second reading.

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

That this Bill be now read a second time.

In view of the hour and the fact that this matter has been dealt with in another place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

It gives me great satisfaction to introduce this Bill to update the professional registration of chiropractors and osteopaths in this State. The proposed changes to the existing legislation are extensive; they have been long awaited by the Board and professional Associations in cooperation with whom they have been developed.

At a recent national conference of chiropractors and osteopaths Registration Boards in Adelaide, there was talk of the need of 'model legislation' for the registration of chiropractors and osteopaths in Australia. I believe that this legislation can fulfil this role and, once again, put South Australia in the forefront. It will enable the Chiropractors Board to exercise more effective oversight of the profession as well as provide greater protection for the community.

South Australia was the first State to ever enact legislation in respect of chiropractors, way back in 1949. A professional registration Act was subsequently assented to in March 1979, and proclaimed in April 1981. The chiropractic profession has undergone considerable change since those early days when chiropractic education was mostly available outside Australia. Today Australia has a school of chiropractic at the Phillip Institute of Technology in Victoria, soon to be merged with La Trobe University. In addition, on 1 August of this year the Sydney College of Chiropractic has moved to a new campus at the Macquarie University in New South Wales where a Master of Chiropractic Science degree course has been established. Both courses are of five years duration and contain extensive practical experience.

With the advent of these Australian initiatives and nationwide acceptance by the community, the chiropractic profession has carved for itself a respected place within the health care system of this country.

One aspect of the Bill which is carried over from the existing Act is that the definition of chiropractic includes osteopathy. This duality was initiated in South Australia with the Chiropractors Act 1979, and history has shown that we were right in doing so. This has done away with many divisive issues which have plagued other States but have not existed in South Australia. We know that this was and remains the correct approach when we see that the School of Chiropractic at the Phillip Institute of Technology has become the School of Chiropractic and Osteopathy, and that the Australasian Council on Chiropractic Education has now been renamed the Australasian Council on Chiropractic and Osteopathic Education.

One important aspect of proposed regulations under the Bill will be the adoption of the national policy on qualifications formulated by a joint committee of the professional associations. This, when endorsed by all States, will allow portability between States and uniformity of the acceptance of qualifications for the purposes of registration. Once again, South Australia is in the forefront with this initiative.

Other changes seek to broaden the functions of the Board in keeping with those of other health professional Registration Boards, and to correct some deficiencies of the existing

legislation. The provisions of the Bill will continue proven strengths of the present legislation and make changes to redress discovered inadequacies.

The Bill continues the present arrangement of providing for a Board to implement its objectives and operate as a statutory body reporting to Parliament annually.

The present Board has six members. It is proposed that the present basic composition of the Board remain but that it be increased by the inclusion of an additional person appointed to represent the interests of persons receiving chiropractic services. The addition of a representative from the general community acknowledges responsibilities of professional chiropractors to the consumers of their services and the community in which they practise.

A registered chiropractor instead of a solicitor, as at present, will be appointed to preside at meetings of the Board. This is common practice interstate and in accord with representations from the profession.

The Bill includes within the functions of the Board a new responsibility to consult with educational authorities regarding syllabuses and courses designed to equip chiropractors for professional practice.

There are new provisions in the Bill enabling committees of the Board to be appointed and for functions and powers of the Board to be delegated to them. These will allow the Board to fulfil its responsibilities more expeditiously.

The Bill prohibits persons practising chiropractic unless they are registered or students supervised by a registered chiropractor. It does however exempt medical practitioners and physiotherapists from this section as is the case in the existing legislation. It is also an offence for unregistered persons to hold themselves out as registered or use certain prescribed words.

Three new provisions in the Bill are those relating to the updating of skills and allowing for limited and provisional registration. In every field of study, knowledge is increasing. The person trained some years ago is not necessarily fully equipped to practise most effectively in today's changed circumstances. The Bill makes provision for the Board to be able to require a registered chiropractor, who has not practised for five or more years to undertake a refresher course of further studies before resuming independent practice.

The present Act recognises that there will be persons gaining practical experience under the supervision of a registered chiropractor in order, eventually, to gain their own registration. However, such trainees have no specific status at present and are not subject to the ethical, legal and disciplinary constraints that apply to registered chiropractors. The Bill will allow such trainees to be granted limited registration which will enable the application of conditions to their place and area of practice. It will also make them subject to disciplinary constraints. The provision will also be appropriate in the case of chiropractors resident outside South Australia who wish to visit and practise for a brief period or for a specified purpose.

In relation to provisional registration, power is given to the Registrar to grant registration provisionally if he/she believes that the Board is likely to grant the application. The Board would then determine the application at its next meeting. This will enable newly trained graduates, overseas trained persons and other qualified persons to take up a position as a chiropractor without delay and financial hardship.

All registered chiropractors are presently in private practice. The Bill recognises this by containing provisions for the registration of companies whose sole object is to practise as a chiropractor. These provisions are similar to those appearing in other recent health profession registration Acts.

It contains new provisions, in keeping with recent health profession registration Acts, allowing the Board to inquire into the incapacity of a chiropractor, and not merely matters of unprofessional conduct as at present. In this regard, it is a requirement for a medical practitioner, who, in treating a chiropractor in relation to an illness, forms an opinion that the chiropractor's ability to practise chiropractic is, or is likely to result, in serious physical or mental incapacity which will seriously impair the ability to practise, to notify the Board. The Board may also inquire into the conduct of a chiropractor who was registered when the cause for disciplinary action arose but has since ceased to be registered.

For the purposes of investigating complaints of unprofessional conduct, incapacity or breaches of the Act the Board may appoint an inspector. An inspector has the normal powers of entry if he/she reasonably suspects that an offence has been committed.

The maximum penalties under the Act are currently $500. These are out of date, and are upgraded by the Bill to division 5 fines (not exceeding $8 000) and division 7 fines (not exceeding $2 000) in line with more modern Acts. In keeping with the Board remaining financially self-supporting, fines imposed for offences against the new Act must be paid to the Board.

The Bill contains a provision requiring practitioners to be indemnified to such an extent required by the Board in the event they suffer loss by reason of civil liability incurred in the practice of chiropractic. It is presently the policy of the Board that chiropractors must carry a minimum of $1 000 000 professional indemnity insurance, although this is not a legislative requirement.

As it is important for the Board to be aware of any information relating to a claim of damages or other compensation against a chiropractor for negligence, the Bill requires a chiropractor to notify the Board within 30 days.

Under the provisions of the current legislation, should a chiropractor's registration be suspended or cancelled in another State or Territory the Board must hold a disciplinary inquiry of its own to hear the matter all over again. The Bill provides for the automatic suspension, cancellation or reinstatement to the Register in line with decisions taken interstate. This is a much more practical, time saving and inexpensive solution.

In summary, this legislation provides for community accountability. The public is entitled to expect that chiropractors will not stray beyond the boundaries of their own expertise and that professional responsibility will be acknowledged. It aims for excellence in services to the individual and effective mechanisms for quality assurance.

The role of the professional is under increasing scrutiny. The provisions of this Bill make a significant contribution toward public accountability of chiropractors. The profession acknowledges the need for reviewing the existing Act. I commend the Bill to members.

Part I comprising clauses 1 to 4 contains preliminary provisions.

Clauses 1 and 2 are formal.

Clause 3 repeals the Chiropractors Act 1979.

Clause 4 defines words and expressions used in the Bill. In particular—

'chiropractic' is defined to include the manipulation or adjustment of the human spinal column or joints of the body, osteopathy and any related service or advice.

Where a person holds himself or herself out to the public as a chiropractor and offers a therapeutic service or advice,

a reference in the Act to chiropractic extends to that service or advice.

Part II comprising clauses 5 to 17 contains administrative provisions.

Clause 5 provides for the continuation of the Chiropractors Board of South Australia as a body corporate.

Clause 6 provides for the appointment of seven members to the Board, four of whom are to be registered chiropractors elected by registered chiropractors. One other must be a lawyer, another a doctor and one consumer representative.

Clause 7 sets out the terms and conditions of the members appointment. Members are appointed for three years and are eligible for re-appointment. A person over 65 years of age cannot be appointed.

Clause 8 provides that the members of the Board are entitled to such remuneration and expenses as may be determined by the Governor.

Clause 9 provides that a member with a direct or indirect pecuniary interest or a personal interest in a matter is disqualified from participating in the Board's consideration of that matter.

Clause 10 provides for the procedure to be followed at meetings of the Board. Four members constitute a quorum. The member presiding at a meeting has a casting vote as well as a deliberative vote.

Clause 11 provides that the Board may establish committees to advise the Board.

Clause 12 provides that the Board may delegate its functions or powers except those relating to investigations and inquiries under Part IV.

Clause 13 provides that an act of the Board is not invalid by reason of a defect in its membership.

Clause 14 provides for the appointment of a Registrar and officers and employees of the Board.

Clause 15 sets out the functions of the Board. In particular the Board is responsible for the registration and professional discipline of chiropractors, for the exercising of an oversight over the standards of chiropractic practice and for monitoring the standards of courses of instruction and training available to chiropractors. The Board's overall duty is to strive to maintain professional standards of competence and conduct.

Clause 16 requires the keeping of proper accounts by the Board and provides for the auditing of such accounts.

Clause 17 provides that the Board must report to the Minister on the administration of the Act every 12 months and that such report is to be laid before each House of Parliament.

Part III comprising clauses 18 to 36 contains the provisions relating to registration and practice.

Clause 18 sets out the requirements a person or company must satisfy to be eligible for registration as a chiropractor.

Clause 19 sets out the manner in which a person applies for registration.

Clause 20 provides that the Board must register an eligible applicant who makes due application and that the Registrar may provisionally register an applicant pending full registration.

Clause 21 empowers the Board to grant limited conditional registration of an applicant who does not fulfil all eligibility requirements.

Clause 22 sets out the requirements for renewal of registration.

Clause 23 provides that the Registrar must keep a register of chiropractors and sets out the obligations of the Registrar in relation to the maintaining of the register.

Clause 24 provides that a duplicate registration certificate must be provided by the Registrar on request and payment of a fee.

Clause 25 provides in subclause (1) that it is an offence punishable by a Division 5 fine ($8 000) or Divison 7 imprisonment (six months) for a person to practise chiropractic for fee or reward unless the person is registered under the Act or practises under the supervision of a registered chiropractor in connection with a prescribed course of training.

Legally qualified medical practitioners or registered physiotherapists acting in the ordinary course of professional practice are exempt from subclause (1).

Clause 26 creates an offence of falsely holding oneself out to be registered under the Act or holding another person out as registered under the Act or holding another person out as registered. These offences also carry penalties of Division 5 fines or Division 7 imprisonment.

Clause 27 prohibits an unregistered person from using certain specified titles or descriptions in relation to himself or herself or to a service he or she provides. It is also an offence for a person who provides a service to apply the prohibited titles or descriptions to an unregistered partner or employee. These two offences carry a penalty of a Division 7 fine. Physiotherapists may continue to be called 'manipulative therapists'.

Clause 28 requires a registered chiropractor who has not practised for five or more years to get the Board's approval before commencing to practise again for fee or reward. Approval may be conditional. Offences against this section carry Division 5 fines.

Clause 29 requires a chiropractor to insure against malpractice claims. The Board can grant exemptions from this section.

Clause 30 requires a chiropractor who has had judgment given against him on a negligence claim or who has settled out of court to notify the Board accordingly.

Clause 31 provides that a company registered under the Act is to comply with the stipulations of the Act required to be included in its memorandum or articles of association.

Clause 32 provides that a company registered under the Act must not alter its memorandum or articles of association unless it has submitted the proposed alterations to the Board for approval.

Clause 33 provides that a company registered under the Act cannot practise in partnership unless authorised by the Board.

Clause 34 provides that a company registered under the Act must not employ more registered chiropractors than twice the number of directors of the company.

Clause 35 provides that a civil liability incurred by a company registered under the Act is enforceable jointly and severally against the company and the persons who were directors of the company at the time the liability was incurred.

Clause 36 requires a company registered under the Act to lodge an annual return, and also to keep the Board informed of changes in directors.

Part IV comprising clauses 37 to 45 contains provisions dealing with investigations and inquiries by the Board.

Clause 37 provides that if the Board has reason to suspect that an unregistered person may have practised chiropractic for fee or reward, that there is cause for disciplinary action against a registered chiropractor or that a registered chiropractor may be mentally or physically unfit to practise as a chiropractor, it may request an inspector to investigate the matter.

Subclause (2) provides that for the purposes of an investigation an inspector may enter premises of a registered chiropractor or of a person suspected of unlawfully practising chiropractic and put questions to persons in the premises and, where the inspector suspects an offence has been committed, seize and remove any object affording evidence of the offence.

Clause 38 creates offences of hindering or obstructing an inspector or refusing to answer truthfully questions put by an inspector.

Clause 39 obliges a doctor who is treating a registered chiropractor for an illness to report to the Board any incapacity that may seriously impair the chiropractor's ability to practise.

Clause 40 provides that the Board may require any registered chiropractor it suspects of being physically or mentally unfit to submit to an examination by a medical practitioner.

Clause 41 provides that the Board may, on its own initiative or on receipt of a complaint, conduct an inquiry in order to determine whether a registered chiropractor is mentally or physically unfit to practise or whether there is cause for disciplinary action.

Subclause (3) provides that if the Board is satisfied that a registered chiropractor is mentally or physically unfit to practise it may impose conditions restricting the right of practice, suspend the registration for a period not exceeding three years or cancel the registration.

Subclause (4) provides that disciplinary action may take the form of a reprimand, a Division 5 fine, conditions restricting the right of practice, suspension of registration for a period not exceeding three years or cancellation of the registration.

Subclause (7) provides that there is proper cause for disciplinary action against a registered chiropractor if the registration was obtained improperly, the chiropractor has been convicted, or is guilty of an offence against the Act or an offence involving dishonesty or the chiropractor is guilty of unprofessional conduct.

Clause 42 sets out the procedure to be followed by the Board in conducting inquiries.

Clause 43 sets out the powers of the Board in relation to the conduct of an inquiry.

Clause 44 provides that the Board may award costs against a party to an inquiry.

Clause 45 provides that where a registered chiropractor's right to practise chiropractic in another State or a Territory of the Commonwealth is suspended or cancelled the registration of the chiropractor in this State is automatically suspended or cancelled. Subsequent reinstatement is also automatic.

Part V comprising clauses 46 and 47 contains appeal provisions.

Clause 46 provides for a rignt of appeal to the Supreme Court against any decision or order of the Board made in the exercise of its powers or functions under this Act.

Clause 47 provides that the Supreme Court may suspend the operation of an order of the Board until the appeal is determined.

Part VI comprising clauses 48 to 55 contains miscellaneous provisions.

Clause 48 provides that where a body corporate is guilty of an offence every responsible officer of the body corporate is guilty of an offence unless it is proved that the officer could not by the exercise of reasonable diligence have prevented the commission of the offence. 'Responsible officer' is defined.

Clause 49 provides that no personal liability attaches to a member of the Board, the Registrar or a member of the Board's staff or an inspector for an act or omission made in good faith.

Clause 50 is an evidentiary provision as to the fact of whether a person was or was not registered at a particular date.

Clause 51 provides that service of notices under the Act may be by post.

Clause 52 provides that offences under the Act are summary offences.

Clause 53 provides that disciplinary action and prosecution for an offence may both be taken in relation to the one matter.

Clause 54 provides that fines imposed for offences against the Act are to be paid to the Board.

Clause 55 provides for the making of regulations by the Governor on the recommendation of the Board.

The schedule contains several transitional provisions. The current Board members must vacate their positions. Registration is carried over from the old Act to the new. The Registrar and the staff continue in office.

The Hon. BERNICE PFITZNER secured the adjournment of the debate.

EDUCATION ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 February. Page 3020.)

The Hon. R.I. LUCAS (Leader of the Opposition): I support the second reading of the Bill although, whether it be this afternoon or at some future stage, I will move an amendment in Committee. I suppose the Bill had its beginning back in 1986 when the Education Department took legal action against Mr James Rossiter, a teacher, for alleged overpayment by the department to him of moneys that had been paid for some contract teaching work that Mr Rossiter had engaged in for the department.

As a result of that case, which the department won, Mr Rossiter was required to repay a small amount of money to the department. In early 1989, Mr Rossiter took action against the department alleging under-payment of contracts worked by him in 1983 and 1986. I am not sure exactly when it changed, but I understood that Mr Rossiter undertook a change in career direction sometime in the mid 1980s from being a contract teacher to being a lawyer. He undertook and fought his legal case, doing a large part of the legal work on his case by himself.

On 3 September 1990 Mr Rossiter won his case against the department. The decision was by a person well known to the Attorney-General, Mr R.H. Kleinig, SM. The case was *J. Rossiter* v *the State of South Australia*, and I want to quote from the judgment.

Referring to an interpretation of clause 11 (3) of the teachers award, Mr Kleinig stated:

> Clause 11 (3) *(a)* (where relevant) reads:
>
> A temporary teacher . . . who is appointed for (a period such as in this case) shall be paid a daily rate for days actually worked calculated in accordance with the formula detailed hereunder for the number of school days in the specified period . . .

Further on he stated:

> The practice of allocating or ascribing temportal-based percentages to the duties of some temporary teachers is just that. It does not appear to be sanctioned by the award: rather, it seems to have arisen by administrative fiat. The Crown submits that the phrase, in clause 11 (3) *(a)* 'days actually worked' means the

same as 'days or part thereof' at the appropriate (that is, percentage) rate.

Further on, Mr Kleinig said:

> The award is silent on part pay for part day's work. The number of 'days actually worked', used as a multiplier in calculations should be regarded as whole integers and never as fractions or percentages. The word 'days' should be given its natural meaning and not be the subject of an artificial construction as the Crown would contend. I agree with the submissions made on behalf of the plaintiff. In my view the practice of what I would call 'fractionisation' of actual days worked is not authorised by the award. It is a departure from the express law embodied in the award.

That was the judgment in that case, finding in favour of Mr Rossiter. In Mr Rossiter's case, the sum of money was not excessive. I think it was only a few thousand dollars but, nevertheless, he had taken on the Education Department in this case and had been successful.

Speaking a little tangentially, it is testimony to the fact that sometimes the little person can take on the big monolithic department and win. I remember having a discussion with Mr Rossiter in the very early stages of his case. Not being a lawyer, I thought on the surface that he seemed to be making sense and had a case that he could argue well in court. I guessed, at that stage anyway, that it would be extraordinarily difficult for a little person (in his case teacher turned lawyer) to fight the Education Department and its lawyers, Government lawyers and industrial advisers, and win such a significant case. Nevertheless, on 3 September, as this judgment shows, it is testimony to the fact that sometimes if you are the little person in the fight and do not give up, in the end you can be successful.

As a result of that judgment, the Government and, in particular, the Minister of Education and the Education Department, started doing some rough calculations as to what this award might cost the Education Department on their best guess. The initial calculations done by the personnel section of the Education Department indicated that it might cost somewhere between $25 million and $30 million. In the end, they settled on a guesstimate of approximately $20 million. I stress that these were guesstimates.

When I discussed the matter with the Education Department people, even they were happy to concede that it was almost impossible for them to make an accurate prediction, and they settled on this best guess as to what the flow-on effect might be in certain circumstances. It is fair to say very early on in my contribution that, six months after that judgment of 3 September, only 16 claims have been lodged with the Education Department, and nine of those claims total an amount of $100 000. I am told that the other seven claims do not specify a particular sum, but they are not likely to be significantly different from the other nine.

So, the reality has been very different from the initial concerns expressed by the Education Department and by the Minister of Education. If the Government was unaware of the possibility of such an interpretation being successful, I guess that the Opposition could only direct some mild criticism at the department and at the Minister. I should have thought that the best that could be said is that these things happen. It was never anticipated that the teachers' award could be interpreted to mean that a teacher working for a part-period in a day could end up being paid a full day's pay, and criticism could perhaps be directed at the Education Department negotiators who did not look at the teachers' award closely enough, as Mr Kleinig did in his judgment of 3 September.

But that would have been mild criticism: these things do happen. Sad to say, that is not the case with this example. In 1987, some three years prior to the judgment of Mr Kleinig, the Government had been advised of this interpretation of the teachers' award by Mr Rossiter himself. I have received a letter of late last year from Mr Rossiter in which he indicated that he had pointed out in 1987 the award wording of 'days actually worked' to an education payroll officer. The name of that officer has been given to me by Mr Rossiter.

He also advised the Institute of Teachers' industrial officers of this provision in the award. It is fair to say that Mr Rossiter is not too enamoured of the representation he received from the industrial section of the institute or, more particularly, from the leadership of the Institute of Teachers. He has since made some public comment about his dissatisfaction with the lack of preparedness of Mr Tonkin and one or two other people to assist him in his argument with the Education Department.

It was in 1987 that the Education Department was formally advised and warned of this problem with the award. Again in 1989, legal proceedings were served on either the Education Department or Crown Law (I am not sure which, but certainly on the Government) of his intention to pursue this matter of the interpretation of the award. Again, as I said, when I as a non-lawyer looked at the matter, on the surface what he was saying made a lot of sense, and I should have thought that the well-trained and professional people within Government (whether within Crown Law or within the Education Department), when confronted with this possibility, would have sounded the warning bells to those higher up within the Education Department and the Government to seek immediately to do something with respect to clarification of the award.

It is fair to say that, whatever criticism one might make of the Institute of Teachers, on this matter it has said that it supports changes to the teachers' award to ensure that if a teacher works for part of a day he or she is only paid part of a day's wage and not a full day's wage. There was one minor condition, but that is something that I understand the Education Department was happy to seek to resolve with the Institute of Teachers.

Action should have been taken much earlier than this Bill, which was introduced into Parliament late last year. Action should have been taken in 1987, some three years before the judgment, when the department was first notified of the problem. At the very least, action should have been taken in 1989, when formal legal proceedings were issued with the Education Department. So, it is quite clear that there has been a major problem in the Education Department and in other sections of Government departments in the handling of this question. As I said, warning bells should have sounded much earlier, perhaps as early as 1987, about the potential ramifications of an unfavourable judgment in this case.

If anything is to be learned from this case, it should be that the Minister of Education, and perhaps those in charge of Crown Law, should be reviewing the procedures to ensure that similar circumstances do not occur again. For example, I am advised that, when the first warning was sounded in 1987, the payroll officer did not recognise the potential problem and no warning bells were sounded to officers higher up in the Education Department at that time. I understand that in 1989, when the officer within Crown Law became aware of this case, again warning bells as to the potential ramifications of an unfavourable judgment did not sound and senior officers were not consulted, either within Crown Law or within the Education Department, as to the flow-on effects of an unfavourable judgment. Quite clearly, if in the future a similar circumstance were to arise within the Education Department, or perhaps even within Crown Law, the warning bells should be sounded much earlier. If the Government has to take corrective action, as

it is seeking to do with this legislation, it should have been done much earlier. If the Government had taken action in 1987 rather than in 1990, and if its guesstimate of $20 million had been correct as the all-up cost, it may well have saved up to $10 million of taxpayers' money.

The Minister of Education persists with this estimate of $20 million. I note that in debate in another place the Minister talked about the potential of tens of thousands of teachers descending upon the Education Department in the next two or three weeks and lodging claims for underpayment on contracts going back over seven years. I think that even the Minister would have struggled to keep a straight face when making that outrageous claim in another place, particularly as at the end of November, when this Bill was first introduced, at a briefing by senior officers of the department I was told there were only five claims, three of which added up to $31 000. As I said earlier in my contribution, about a week ago there were only 16 claims, nine of which added up to $100 000. Therefore, in the past three months or so there has been an increase of only 11 claims.

I think that, when one looks at the way the Government has handled this, it is clear that the Minister and the Government cannot be too worried about the flow-on effect of this case at the moment. The Government introduced the Bill late last year, in the early part of the session, and we were advised that it was urgent that the Bill be processed through both Houses of Parliament. We indicated to the Minister of Education and to the Director-General of Education that the Liberal Party would expedite its consideration of the legislation before Parliament rose in December last year. However, when the Government set its priorities in the House of Assembly it chose not to make this one of the Bills to be discussed last year. It was left lying on the table in the House of Assembly and was not debated until this week—the second week of the February session of this Parliament. So, obviously the Government is not too concerned at the moment, given that, of its own volition, it has delayed the passage of this Bill by some three months since it was first introduced in the House of Assembly.

In considering the implications of this case, I will read into *Hansard* the advice that I received from the Institute of Teachers, which states:

> Our legal advice is that the decision lays the way open for permanent or contract teachers, whose employment required that they work part of a day, to make similar claims.
>
> It is unlikely the judgment could be extended to part-time employees working full days. For example, a part-time teacher engaged for .4 fraction of time who worked four mornings per week would be able to claim whilst a .4 appointee working two full days per week would not.
>
> Each claim would need to be tested separately and teachers would need to produce evidence (for example, school timetables) to substantiate claims for particular days.
>
> It is highly unlikely many teachers will be able or bothered to put together the sort of evidence needed to substantiate a claim. Despite the blaze of publicity surrounding the decision and dire predictions of 20-plus million dollar payouts, only a handful of claims have been pursued.

That advice was provided to me in late November last year. I think it is quite clear that the figure of $20 million was a very bad guesstimate and certainly there will not be anywhere near that flow-on effect even if this legislation does not pass Parliament.

I have been advised further by the Education Department that it will fight in the court each and every claim that comes through. The Education Department agrees with the view of the Institute of Teachers that the Rossiter case should in no way be taken as a precedent in respect of many thousands of contract teachers that have worked under contracts in schools in South Australia since 1984.

The Rossiter case was unusual in that under one of his contracts Mr Rossiter was asked to teach one lesson very early in the day—I think it was the second lesson of the day—and to teach the last lesson of the day. That is an unusual contract; generally lessons come in blocks. He was required to stay at the school for much of the period between his first lesson and his second lesson, which, as I said, happened to be the last lesson of the day.

So, the Rossiter case was unusual and, as the Institute of Teachers and the Education Department have argued, it cannot be taken as a precedent for many thousands of contract teachers, although it certainly is a precedent for a good number of them. As I indicated, the Opposition supports the second reading of this Bill. We will move an amendment in the Committee stage, but I will not address the substance of that amendment until then.

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

ADJOURNMENT

At 6.10 p.m. the Council adjourned until Tuesday 5 March at 2.15 p.m.