LEGISLATIVE COUNCIL

Wednesday 11 September 1991

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

QUESTIONS

REGULATIONS

The Hon. K.T. GRIFFIN: I seek leave to make an explanation before asking the Minister of Consumer Affairs a question on the subject of making regulations.

Leave granted.

The Hon. K.T. GRIFFIN: I have received representations from real estate agents, land brokers, lawyers and professional and business bodies, all expressing considerable anger at the action of the Government in bringing into operation on four days notice significant and complex provisions of the Landlord and Tenant Act relating to commercial tenancies.

On the evening of Monday 26 August 1991 some professional bodies received notice by fax from the Department of Public and Consumer Affairs that sections 7, 10, 11 and 17 of the Landlord and Tenant Act Amendment Act (No. 2) 1990 would be gazetted on 29 August 1991 to come into effect on Sunday 1 September 1991. This was the first indication by the Government of the date on which the Government would bring these sections into operation. Some professional advisers were invited to a hastily convened one hour briefing at the Department of Public and Consumer Affairs on the afternoon of 29 August.

These sections related to disclosure statements by landlords to tenants and the special provisions giving a tenant a right to a five-year term even if the lease was for a shorter period. The form of the disclosure statement contained a disclosure of a warranty as to the structural suitability of the premises for the tenant's purposes. This disclaimer was in different words from that previously allowed by the regulations. Supply of the forms which were included in the regulations were not available separately. Agents, landlords and advisers had one day to copy the forms from the *Government Gazette*, which was released late on Thursday afternoon.

The consequence of the Government's failure to give landlords, professional advisers and building managers reasonable notice is likely to mean substantial additional costs to landlords in addition to the extra costs resulting from the application of the Act. Leases which had been sent out for signing before 1 September and particularly before 26 August but not signed by 1 September would have to be redrafted to comply with the sections brought into effect on 1 September. Where leases had been sent out for signing but time did not allow contact with the parties before 1 September to urge the parties to sign before that date and they were signed after 1 September, they will be in breach of the new Act and perhaps even offences have been committed.

Those who have contacted me cannot understand why there was such a rush by the Government to have the sections I have referred to brought into operation within five days when nearly a year had elapsed since the amending Act had been passed by Parliament. Nor can these people understand how a Government can be so insensitive to the costs involved to the business and professional community in the precipitate action taken by the Government.

I understand that concern had previously been expressed to the Minister by professional bodies in November last year, when the Goverment brought into effect an amendment requiring landlords not to pass on land tax to tenants when no prior warning of the operative date was given. On that occasion I understand the department gave assurances that this sort of thing would not occur again but, after the events of 26 August, one must ask what these assurances are worth. My questions are as follows: 1. Why did the Government bring into operation sections 7, 10, 11 and 17 of the Landlord and Tenant Act Amendment Act (No. 2) 1990 at such short notice, and why was there not reasonable consultation with and warnings to the private sector before this occurred?

2. Will the Government pay compensation for additional costs incurred as a result of the precipitate action of the Government?

The Hon. BARBARA WIESE: The answer to the second question is 'No'. As to the substantive issue that the honourable member has raised, the fact is that this piece of legislation was, as he indicated, passed by the Parliament last year. Over a period of time there has been extensive consultation with industry, with the Chairman of the Commercial Tribunal and various other interested parties about the legislation and the progressive proclamations that have flowed from it.

As the honourable member should be aware, the major matters contained in the legislation that related to commercial leasing arrangements in South Australia were proclaimed some months ago. In fact, the most recent proclamations were made in, I think, March. The proclamations that were of major concern to small businesses allowed for the access they required to the Commercial Tribunal and various other matters.

The delays in proclaiming the remaining sections of the Act were required in order to prepare the appropriate forms and other material that was required to bring those sections of the Act into effect. I am aware that early this year there were extensive consultations, certainly with the Chairman of the Commercial Tribunal who is, at the end of the day, the individual who will be responsible for handling a number of the issues involved here. He was extremely helpful in providing some very helpful suggestions about how the regulations could be improved. In fact, he was also of some assistance in drafting the appropriate forms that would be used by the Commercial Registrar and the Commercial Tribunal. The work in the intervening months has proceeded.

I am aware of the seminar to which the honourable member refers. I asked specifically, following that seminar, what the reaction of the numerous participants had been, and I am not aware of any dissatisfaction. In fact, I was advised that the seminar was very successful. A number of technical issues and questions were raised by individuals, but there was a very good participation rate in view of the relatively short notice that was given of the seminar itself. I understand that plans were put in place for the law firms, which are the people with whom the Commercial Tribunal regularly deals with, to be provided with the forms so that information would be available to them prior to the proclamation date. Further, I believe that, at least informally, relevant associations have known for some time that the Government intended to proclaim these remaining sections on 1 September.

Certainly, for a number of months it has been my intention that 1 September would be the date for proclamation, because that date was agreed with officers as a feasible time for such a proclamation to be made. I should be very

surprised if the degree of outrage of which the honourable member speaks is, in fact, a true reflection of the views of people in the private sector.

All I can say in response to his question is that the advice that I received was that the proclamation date was feasible and reasonable, and that the relevant parties would be informed and would receive the information they required in order to satisfy the requirements of the remaining sections of the legislation. I have not been made aware of correspondence that may have come to me from any of those organisations expressing any concerns about this matter, and I feel certain that any such complaints would have been drawn to my attention.

I can only express surprise at the comments made by the honourable member, but I hope that the matter is not as he states it. Certainly, I will make further inquiries with officers of the Department of Public and Consumer Affairs, but I really do not believe that the situation can be nearly as difficult as the honourable member suggests, although I acknowledge that, for some, the proclamation date may have come a little too early. It may simply mean that people have to work somewhat harder.

The Hon. K.T. Griffin: Four days notice.

The Hon. BARBARA WIESE: The honourable member says that there was four days notice, but I have already indicated that it had been known informally by representatives of many of the associations with whom officers of my department have been consulting over a period of time that it was our intention to proclaim this legislation on 1 September. That is the case as I understand it.

SOUTH AUSTRALIAN FILM CORPORATION

The Hon. DIANA LAIDLAW: I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage a question about the South Australian Film Corporation.

Leave granted.

The Hon. DIANA LAIDLAW: The Auditor-General's Report tabled yesterday noted that last year the Film Corporation's operating loss for commercial activities increased by $1.6 million from $559 000 to $2.2 million. It also noted that the income generated from drama production fell to a pathetic $29 000 (down from $473 000 the previous year) and that $553 000 in past investment in drama productions was written off. These results contributed to the corporation's accumulated loss of $5.4 million at 30 June 1991. In the meantime, net assets have plummeted from $3 million two years ago to $485 000 at 30 June. These results are as bad as the 'worst case' scenario forecast for 1990-91 by KPMG Peat Marwick in its review of the corporation, released by the Minister on 9 January.

The results vindicate the restructuring recommendations presented in the Milliken report and confirm that if the Government had acted on the Milliken recommendations three years ago, the corporation today would not be in such diabolical financial trouble. I note that KPMG Peat Marwick review warned the Minister that:

> There is an urgent need for some computerised scenario financial analysis to provide the board and the State Government with details of the range of possible outcomes over the next three to five years. It would be impudent for the Government to take strategic decisions without the benefits of this longer-term analysis.

Of course, in January the Minister provided a loan of $2.4 million to the corporation. I ask the Minister:

1. Has the Government and the board yet undertaken, as recommended by KPMG Peat Marwick, scenarios of the corporation's possible financial outcomes over the next three to five years and, if so, what is the forecast outcome for the corporation this financial year?

2. If she has the information at hand for the next three to five years as recommended by the consultants, could she please provide it? If such financial scenarios have not been undertaken, would she explain why not?

3. Does the Minister still consider the decision in January to provide the corporation with $2.4 million additional assistance in the form of a debt—albeit a non-interest bearing loan—remains a realistic form of assistance or, based on last year's result, does she now agree it is most unlikely that the corporation will ever be able to pay back the loan, and that the $2.4 million is now effectively a non-performing loan?

The Hon. ANNE LEVY: I think the honourable member is playing with words. I would have thought that the definition of a 'non-performing loan'—

The Hon. Peter Dunn interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: —was one which was not providing its interest payments, and, as has been indicated and acknowledged by the honourable member, the advance made available to the Film Corporation in January was never intended to be an interest bearing loan. So, it is playing with words to call it 'non-performing'—it was never intended to be an interest bearing loan.

With regard to the other questions which the honourable member has asked, the financial analysis to which the honourable member refers is certainly one of the matters that has been taken on board by the board of the corporation. It has been drawing up plans obviously for this financial year and for subsequent financial years. I do not have a copy of such plans, but I am happy to ask the board of the Film Corporation if it can provide me with information on the stage that such plans have reached. As the honourable member knows very well, the Film Corporation appointed a new Managing Director only three months ago, and the new Director of the Film Corporation has done a great deal in that short time, in terms of restructuring the Film Corporation, altering its management and organisational structure and achieving great savings to its recurrent budget.

Members interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Thank you, Mr President. As I was trying to tell the honourable member, only three months ago the Film Corporation appointed a new Managing Director who, with great vigour, has set about restructuring the corporation both in terms of its management, finances, and staffing, and considerable savings have been achieved, as was recommended by the Peat Marwick report.

Furthermore, as was agreed, the Department of the Arts and Cultural Heritage has set up a working party on the film industry in South Australia which will look at not just the Film Corporation but the independent sector in its various forms. It will look at making—

Members interjecting:

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

The Hon. ANNE LEVY: —a thorough examination of the film industry in this State. I would remind honourable members, if they have forgotten the important fact, that the new Managing Director was appointed only one month before the end of the financial year. Therefore, the Auditor-General's Report—certainly eleven-twelfths of it—refers to a time when the new Managing Director had not been appointed. Consequently, the various recommendations from the Peat Marwick report have not been able to be implemented. I certainly compliment the new Director on the

speed with which she has implemented a very large number of the recommendations in the Peat Marwick report, and on the energy and enthusiasm she is showing in bringing the Film Corporation to a state where we—and I am sure everyone in South Australia—hope that it will become a viable organisation.

There is no doubt that this is a very difficult time for the film industry, and I am referring not only to the South Australian Film Corporation but to the film industry in South Australia and Australia as a whole. The film industry is certainly feeling the effects not just of the recession but of the goings on in the television industry, and of the games which have been played in terms of ownership of television stations which have impacted very severely on the whole film industry in this country. It is not an easy time for the film industry.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The honourable member asked a question. If she does not want to hear the answer, that is all right. But, if she asks a question, I think the Council is entitled to hear the Minister give an answer.

The Hon. ANNE LEVY: She obviously does not want to hear, Mr President.

SMALL BUSINESS BANKRUPTCIES

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

Leave granted.

The Hon. L.H. DAVIS: The Minister of Small Business may or may not be aware that small business in South Australia is currently enduring record levels of bankruptcies. There are some 15 bankruptcies in small businesses each week, and that is certainly the highest figure on record. Small business in South Australia is enduring the highest WorkCover premiums of any Australian State, and I give the recent example of a painter who employed someone as his sole employee for a period of more than 20 years and, although he sustained only one injury during that time, his WorkCover premium increased from 4.5 per cent to 11.32 per cent, an increase from $60 a week to $150 a week.

I am receiving instances by telephone and by letter of small businesses with increases in land tax of 70 per cent in the current year. Also, the recent State Budget increases in land tax for buildings with a value greater than $1 million will, in time, impact on many small businesses. There are instances of small businesses which use very little water again enduring increases of 75 per cent or more in their water rates following the introduction of the changed system. Small businesses are enduring the highest financial institutions duty in Australia, and increasingly small businesses are finding that they are competing against Government instrumentalities not on a level playing field.

Only this week I have had the example of a small business that is being forced to have its employees join the relevant union if they are to continue to provide the Government sector with goods and services. A Liberal Party phone-in campaign which has been running over recent months has shown that many Government agencies are taking up to four and five months to pay accounts to small businesses. The Minister of Small Business may already know this, but leaders of the small business sector have dubbed her 'Queen Canute' because she sits there doing nothing while a surge tide of small business bankruptcies and failures swirls around her feet.

I leave aside the matter of the small payroll tax reduction in the State Budget which will, of course, be of no benefit to the majority of the 55 000 small businesses in South Australia, because it will apply only to employers with perhaps 15 or more employees. My question to the Minister is a simple one. What initiatives has the Minister introduced to assist the small business sector in 1991?

The Hon. BARBARA WIESE: The Hon. Mr Davis has got to be one of the greatest scaremongers and stirrers—

Members interjecting:

The PRESIDENT: Order! The Council will come to order. The honourable Mr Davis has asked a question. If he wants to hear the answer, I suggest that he remain silent.

The Hon. BARBARA WIESE: The Hon. Mr Davis is one of the greatest scaremongers and stirrers that exists among members of the Opposition. What is more, among some of the business people with whom I talk, Mr Davis is also developing a reputation as one of those people who is most negative in this State and least helpful in creating a climate within the business community—

Members interjecting:

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

The Hon. BARBARA WIESE: The Hon. Mr Davis is developing a reputation as one of those people who is least likely to create a feeling in the business community or a climate within the South Australian economy that is conducive to business confidence and to enabling people to get on with creating jobs, and of making our economy work better.

I am well aware of the beat-up press releases that the honourable member has been putting out over a period of months to the daily newspapers and also to the Messenger Press and various country newspapers in the State in an attempt to create a feeling within the South Australian business community that everything is falling down around their ears when, in fact, that is not the case. That is not the case, and the honourable member can talk all he likes about bankruptcy statistics and the various other colourful theatrical presentations—

Members interjecting:

The PRESIDENT: Order! The Council will come to order. If members want to hear the answers to the questions, they will remain silent.

The Hon. BARBARA WIESE: The fact is that in good times or bad times there are companies, particularly small businesses, in South Australia that will fail for one reason or another. We know for a fact that about one-third of businesses that start up, whether in good times or bad times in the economy, will fail for one reason or another. We also know that the major reason for businesses failing has very little to do with the state of the economy and very little to do with Government actions. It has much more to do with problems that exist with small businesses.

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: If honourable members opposite do not know that, they really—

Members interjecting:

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

The Hon. BARBARA WIESE: They are totally unaware—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: They are totally unaware of all the available evidence in Australia which has been collected and which shows that 80 per cent to 90 per cent of businesses—

Members interjecting:

The PRESIDENT: Order! The Council will come to order. In answering the question the Minister is entitled to the same respect of the Council as was extended to the member who asked the question. I would request that the Minister be heard in silence.

The Hon. BARBARA WIESE: In 80 to 90 per cent of cases of business failure the major reasons for the failure are that the people running the companies did not have the appropriate skills or business management expertise. That is a well known and well established fact. The honourable member will never acknowledge that, but it is a well established and acknowledged fact. It is a fact that is acknowledged by major business organisations in this State and in Australia. The fact is that, although there has been an increase in business bankruptcies in South Australia in recent times, as one would expect in a recessed economy, they represent 1 per cent of businesses in South Australia. But one would never understand that from the press releases put out by the Hon. Mr Davis who, as I indicated, is constantly telling the South Australian community that the whole thing is falling apart when that is obviously not the case. The honourable member has had considerable trouble and, certainly, the wind blown out of his sails in the past week or so by the budget that was brought down by the State Government on 29 August—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —because there are numerous measures in that budget that will be of benefit to the business community, and the burdens that the Hon. Mr Davis and his colleagues were predicting would be placed on small businesses in South Australia have not been placed upon them at all. In fact, benefits have been brought to businesses in South Australia by those budget decisions. The honourable member sweeps aside the fact that there have been payroll tax deductions. He does not think that is important, but the businesses in South Australia that will benefit to the tune of $13.5 million in this next year—

Members interjecting:

The PRESIDENT: Order!

The Hon. BARBARA WIESE: —certainly appreciate it, have indicated that they appreciate it and have made those views well known to the Government. It is also true that some of the other decisions which were taken in the budget and which have brought no change in such matters as stamp duty, financial institutions duty and various other taxes are also a welcome move, because they mean that no further imposts will be made in those areas. The improvements that have been made in the land tax system are also of benefit to small businesses. The various other measures on the expenditure side of the budget, which are giving increased funding to various programs across the Government and which will provide for future business development and opportunities, are being well received and appreciated by people in the business sector. I certainly hope that many businesses in South Australia will be able to take advantage of the measures which have been outlined and which will continue to become well known by the business community here.

TERTIARY STUDENT TRAVEL CONCESSION

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, as Leader of the Government in the Council and representing the Treasurer, a question relating to student travel concessions.

Leave granted.

The Hon. M.J. ELLIOTT: The South Australian and Federal Labor Governments have made it clear on many occasions that they have two major policy planks, one being social justice and the other being a commitment to working towards a clever country. In the recent budget, Premier Bannon showed those two State policies to be meaningless window-dressing when he removed travel concessions from all students except those entitled to Austudy. This means that only 14 000 of South Australia's 53 000 tertiary students will be entitled to transport concessions next year. No other State in Australia has seen fit to strike such a blow against social justice and education. The Minister of Employment and Further Education, Mike Rann, is on the record as saying that Austudy is 'a major issue of concern to Australian students'. He recognised that the level at which Austudy is available is such that many students are left not receiving Austudy and are suffering considerably.

The Hon. Diana Laidlaw: He also knows that it does not meet the needs of many who are financially disadvantaged.

The Hon. M.J. ELLIOTT: That is exactly the point. Students' concerns centre on the facts that not only is Austudy inadequate, but that few manage to qualify for it. Both of those concerns were created by the combined forces of Labor and Liberal, who brought pressure to bear in the Federal Parliament to decrease the rate of Austudy and narrow the eligibility criteria. Student representatives tell me that there are many students who are not well off or whose parents simply refuse to support them—and that is not unusual—who are denied Austudy and must choose to live in poverty or discontinue study.

Many students will now face the burden of an extra $500 in travel expenses each year, an impost which follows the recent announcement that higher education contribution fees will rise by 13 per cent next year. The very students most affected by the narrowing Austudy criteria, that is, those who fail to qualify for it yet who face extreme financial difficulty, have been hit again—by a Government which claims to believe in social justice and a clever country. The result will be that more students will be plunged into poverty and many more will be forced to withdraw from their studies in tertiary institutions.

I realise that there may be a temptation in the first instance to refer this to the Minister of Transport, but it is not just a transport matter. It is a matter of education and a matter of social justice, which is a central plank of the Government's policy and I ask whether the Premier and Treasurer will intervene in this matter, recognising that a tragic mistake has been made.

Does the Government acknowledge that Austudy has failed to reach the majority of students in need of financial support and how does the State Government reconcile this fact with its plans to cut the public transport concessions? Is the Government, through its withdrawal of transport concessions from the majority of tertiary students, backing away from its commitment to encourage more students to continue their education into the tertiary sector? Were student organisations consulted about the proposed changes to their concessions on public transport before the decision was taken? If not, why not?

The Hon. C.J. SUMNER: The answer to the first question is 'No'. The answer to the second question is that I will refer that to the Minister of Employment and Further Education for consideration. No doubt he can take up the issue with the Federal Government as far as any concerns about Austudy are concerned. The answer to the third question is 'No'. The answer to the fourth question is that I am not aware of whether any student bodies were consulted about the issue, but the change of policy on free travel for

students on public transport was made on the broader policy grounds which I am sure were outlined in the budget papers when the budget was tabled.

The Hon. M.J. ELLIOTT: As a supplementary question, does the Attorney-General believe that the Government is not backing away from social justice commitment by denying the concessions to students who are quite clearly already living in poverty?

The Hon. C.J. SUMNER: No; the Government is not backing away from its social justice commitment, which is clearly evident in many other areas of the Government's policy and budget, which were outlined and handed down a week or so ago. I do not intend to repeat those social justice commitments, but certainly within my portfolio they have not been affected by any decisions in this budget.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: Just a minute. The social justice initiatives that were taken by the Government, within my portfolio certainly, have been maintained in this budget.

The Hon. M.J. Elliott interjecting:

The Hon. C.J. SUMNER: The honourable member also is not prepared to listen to the answer to the question, as it seems that next—

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: Of course he is playing to the gallery; we know that.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: The fact is that over many months the Opposition strenuously opposed the free student travel proposals that were introduced—

The Hon. Diana Laidlaw interjecting:

The Hon. C.J. SUMNER: You opposed it; you know you opposed it.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: That is the fact of the matter. The only people who can play to the gallery on this issue are the Democrats; the Opposition has no cause to talk about the issue at all.

Members interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: As I said, the situation relating to social justice commitments is that the Government does have a firm social justice policy. In so far as there are concerns about Austudy, I have said that I will refer them to the appropriate Minister.

QUEEN ELIZABETH HOSPITAL

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister of Tourism, representing the Minister of Health, a question about the Queen Elizabeth Hospital.

Leave granted.

The Hon. BERNICE PFITZNER: As we know, the Queen Elizabeth Hospital is situated in, and services, the western suburbs, an area that is relatively disadvantaged economically and socially. The hospital is known to have State acclaimed departments of cardiology (heart), nephrology (kidneys) and the *in vitro* fertilisation unit. Lately, the community in that area has seen the closure of 36 surgical beds—in July this year—and there is the pending closure of 17 rehabilitation beds next Monday. Rehabilitation beds cope with stroke patients and amputees.

The Queen Elizabeth Hospital budget has been cut by $2 million, plus other costs, which amounts to a cut of $3.5 million. The Royal Adelaide Hospital has had a cut of $1.7 million, and with other costs the cut amounts to $3 million. The Flinders Medical Centre has had a cut of $700 000, and with other costs the cut amounts to $2 million.

In the latest green paper on the Area Health Service we note that, of the nine areas, the Queen Elizabeth Hospital is lumped into the Central Metropolitan Health Service together with the Royal Adelaide Hospital and the Children's Hospital, which is now known as the Adelaide Medical Centre for Women and Children. The people in that area are most concerned and perplexed at the withdrawal of their health services, despite the fact that it is a Labor stronghold and heartland and represented by Labor MPs. My questions are:

1. Is the perception correct that the health services provided by the Queen Elizabeth Hospital have been reduced more drastically than the other larger teaching hospitals?

2. Does the Minister, when deciding on health budget cuts and a reduction of health services, take into account that the western suburbs are relatively disadvantaged already?

3. In placing the Queen Elizabeth Hospital in the central metropolitan area together with the other large teaching hospitals, the Royal Adelaide Hospital and the Adelaide Medical Centre for Women and Children, is there a hidden agenda to downgrade the excellence of the Queen Elizabeth Hospital to a cottage hospital, therefore further disadvantaging the people of the western suburbs?

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

HIGH SPEED CAR CHASES

The Hon. J.C. IRWIN: I seek leave to make an explanation before asking the Attorney-General in his own capacity and also as Minister representing the Minister of Emergency Services a question about police speed chases.

Leave granted.

The Hon. J.C. IRWIN: The Insurance Council of Australia Regional Manager, Mr Noel Thompson, has blamed increases in car insurance on thefts by joyriders. Mr Max Brown, General Manager of the RAA, said its insurance premiums had increased by between 15 and 20 per cent over the past 12 months to meet the cost of claims for car theft. He said that the RAA paid out about $32 on theft for every policy, compared with $10 in 1989. South Australia had the third highest car theft rate in Australia, behind New South Wales and Western Australia, which costs South Australia $26 million a year. FAI has said that 30 per cent of its company's payouts were for stolen cars. There are now up to 180 reported high speed car chases so far this year, with some reaching up to 160 km/h.

Of the 140 chases reported from 1 January to 30 June this year, 26 involved speeds between 60 and 99 km/h, 72 reached speeds between 100 and 149 km/h and 42 exceeded 140 km/h. Chief Superintendent Wilkin said that police, during a six week activity from 23 May to 3 July, codenamed Operation Locket, had dramatically cut the number of high speed pursuits and charged almost 100 people with theft-related offences.

During Operation Locket, 98 offenders were detected. Most were youths aged 14 to 17 years who stole the cars for the buzz of it. Despite some fall-off in incidents during the six weeks of Operation Locket, there is evidence now that an unacceptable number of incidents are still occurring.

Illegal use of motor vehicles accounts for almost 90 per cent of all car thefts in South Australia. Often when juveniles are convicted of this offence they escape with a fine of $26.

The South Australian Police Association Secretary, Sam Bass, said that many rank and file officers were continually frustrated at the penalties handed down, and I quote:

My members complained very often that the penalty does not reflect the seriousness of the offence.

More than 35 crashes have occurred as a result of pursuits this year, and deaths have been recorded. To June 1990, 13 046 cars were reported stolen. The three published quarters of reported incidents to March 1991 show that 11 757 cars were reported as stolen. This is only 1 300 less than for the whole 1989-90 year. The full year to 30 June 1991 may show about a 20 per cent increase on the previous year.

The Attorney-General's Department figures indicate only 1 672 car theft charges to June 1990. There are no published figures yet to compare this with the full 1990-91 year. Of the 1 672 people charged, 917 were under 18 and were dealt with by Children's Courts or juvenile aid panels. They were much more lenient than the courts. Of 364 children convicted, 114 were given bonds, 101 were fined, 55 were discharged and 21 were given suspended detention and bonds. Only 17 children were given detention orders for car theft. On 17 August this year, the Attorney-General was reported in the *Advertiser* as saying:

... that while child crime rates were no better or worse than in other Western societies, it was not good enough for a Government to sit on its hands and accept it.

... there were obvious problems with the Children's Court and justice system which would be reviewed by the State Government.

Whatever the Government says it has done, or will do, the system is patently not working. There is little discipline and there is little punishment or deterrent. The community is demanding that the dangerous anti-social behaviour of irresponsible loony juveniles be stamped out. My questions are:

1. Is it intended that Operation Locket continue, for a permanent fight against car theft, shop ramming and taunting of police which lead to high speed chases?

2. Is the Attorney-General considering any innovative methods of collecting evidence which would lead to convictions and stiff deterrent punishment, thus eliminating the need for dangerous car chases?

The Hon. C.J. SUMNER: I will have to refer the first question to the Minister of Emergency Services, because Operation Locket is obviously an operation launched by the South Australian Police Department. On the question of punishment, it is not immediately obvious that heavier punishment would lead to fewer car chases. Nevertheless, the question of penalties and other measures to deal with car theft and illegal use are currently under consideration by the Government.

TERTIARY STUDENT TRAVEL CONCESSION

The Hon. I. GILFILLAN: I ask the Minister for the Arts and Cultural Heritage, representing the Minister of Transport, the following questions:

1. Does the Minister recognise that there is widespread recognition, even amongst members of her Party in Government, just how hard it is for tertiary students to cover their basic costs?

2. Does the Minister believe that all students can afford the extra $14.30 for their weekly multi-trip tickets which will result from the latest Government decision?

3. Does the Minister believe that all multi-campus students can afford to travel between campuses and face increases in fares of up to $28.60 a week?

4. Does the Minister realise that this impost will make it impossible for some students to continue their studies and difficult for many others?

5. What are the Government's reasons for cutting the tertiary student travel concessions?

6. Does the Government believe that the more than 3 000 students who gathered on the steps of Parliament House at 1.30 p.m. today did so for fun?

7. If not, will the Government take notice of this protest and call for help and change its mind about cutting the tertiary student travel concession?

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

TORRENS RIVER CROSSING

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Transport, a question about the Reids Road-Silkes Road crossing of the Torrens River.

Leave granted.

The Hon. J.C. BURDETT: There is often felt to be a need for residents of the Tea Tree Gully area, generally speaking, to cross the Torrens River to the Athelstone area. With one exception, the only way to do that is to go along Lower North East Road towards the city, to the Darley Road intersection, and to go into Gorge Road, which is a very long way round. For many years there has been a ford at the crossing of Reids Road on the Lower North East Road side and Silkes Road on the Gorge Road side of the Torrens.

That has been impassable on many occasions, and cars have been washed away. There has been quite a lot of publicity in the local press and in the daily press when cars have been washed away, and such things. The road has been closed on many occasions. There is a need for a crossing of the Torrens River at this point. One option is to upgrade the ford and another is to build a bridge opposite Hancock Road. Because the matter has been raised on many occasions with no response being made, my questions to the Minister are:

1. Is it intended to upgrade the Reids Road-Silkes Road crossing?

2. Is it intended to build a bridge opposite Hancock Road?

3. Has a feasibility study been instituted into the possibility of doing so?

4. If not, will such a feasibility study be conducted?

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

LICENCE FEES

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister of Agriculture a question about increased licence fees for slaughterhouses, abattoirs and pet food works.

Leave granted.

The Hon. PETER DUNN: On 1 July this year the licence fees were increased for abattoirs (of which there are 17 in the State), slaughterhouses (of which there are 73) and pet

food works (of which there are seven). These fee rises are as follows: for abattoirs, an increase from $500 to $750; for slaughterhouses, an increase from $100 to $200; and for pet food works, an increase from $100 to $200. Abattoirs are inspected randomly four times a year.

I am informed by some butchers in the country that in 1992 a fee for inspection will be introduced. This will pay for six full-time employees, setting fees for the authority and the operating costs of the Meat Hygiene Authority. Inflation has been at about 10 per cent over the past year, but these are increases of 100 per cent. My questions to the Minister are:

1. Why has there been an increase of 100 per cent in the licence fees?
2. What is the likely cost when the fee for inspection is introduced?
3. Will those slaughterhouses situated farther from Adelaide need to pay more for their licences if a fee for inspection is introduced?
4. Why cannot local government health inspectors carry out these duties?

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

HILLCREST HOSPITAL

The Hon. M.J. ELLIOTT: I move:

That this Council—

1. Recognise a significant level of community concern in relation to the proposed closure of Hillcrest Hospital.
2. Further recognise that there are potential benefits from the redirection of resources to community-based services.
3. Call on the State Government to release a timeline and detailed information both structural and financial in relation to the redirection of psychiatric resources.
4. Call for an undertaking from the State Government that no service at Hillcrest Hospital close until another service is in place which will properly cater for the displaced patients.

The reason for my motion is to raise concerns that have been brought to my attention by a large number of professionals, care givers, patients and families, unions, and workers; there has been a general reaction within the community itself. Let me say at the beginning that I support the principle of community-based mental health care and service delivery. It is because of my belief that health and mental health should be an integral part of community life that I question the real motives of this Government in undertaking a redirection of mental health resources in this State.

Since the closure of the Hillcrest Hospital has come on the agenda, I have spoken with a large number of professionals, union representatives, community members, psychiatric nurses, consumer groups, members of the Health Commission and concerned members of the public. I visited Hillcrest Hospital, had quite an extensive tour of the place and spoke to a large number of people. In fact, I will be visiting Glenside Hospital this Friday, to make myself as fully informed of the situation as I can.

I believe that the main reason for this Government initiative is the perceived financial saving. With the proposed sale of Hillcrest Hospital and the sale of land at the Glenside Hospital, the Government coffers will be boosted by at least $3 million and possibly more, if the Government fails to put the money into community services as it has said that it will.

Acknowledging that the Bannon Government's financial mismanagement has added a $2.2 billion debt to the Treasury from the State Bank, and recognising that the debt needs to be recouped by the State, I strongly oppose the moves to make the easily hit health and education sectors pay for it. It is no longer acceptable to cut, reduce and limit the most needed services and resources for the majority of people. Regardless of the economic position, we must ensure that we have an efficient, targeted and quality health service that meets the primary needs of the whole community.

A redirection of health and mental health resources and finances is necessary to be able to service the community fully. That is true in all parts of the health sector. I believe that it is the right way to go, but I am not convinced that the Government's espoused principles are a genuine commitment. Since it costs the Government a great deal to run an existing hospital and very little to talk about community care, it is very easy to abandon the one without doing much about the other, and that is where we stand now.

We have heard much about the repercussions of closing down Hillcrest Hospital and much about how community-based caring will be better for the servicing of clients. I ask: where are the Government's programs for closure? Where is its commitment to establish new units before the old ones are closed? What are the types of outpatient units, services, supports, and educational and occupational training which will be offered? What will be offered—where, to whom and when?

I want now to briefly recognise the achievements of the Hillcrest Hospital. It is widely recognised as one of the top—some claim the best—mental hospitals in the country. It was the first to receive accreditation and it has set the standard for the rest of Australia. It has dedicated professionals working in it and with it, and a highly acclaimed nursing staff. Unfortunately, with all the uncertainty of the Government's closure proposal—and this is a very great problem—a brain drain has already been occurring as institutions in other States happily poach some of South Australia's finest mental health workers and hospital administrators who feel they are facing an uncertain future here. Hillcrest has diagnostic streaming within specified units. This has proven to be one of the most beneficial treatment structures, and will be lost within generalist based units in general hospitals which will replace it.

I would also like to highlight that Hillcrest has over many years been gradually moving towards community based living, working and service for its clients. With this closure move by the Government, this agenda for change has been taken away. It is now caught in a paradox because it supports the principle of community based mental health servicing but has major concerns with the timelines, the adequacy of new service and the potential for current services to be lost.

The proposal in the Cabinet submission of 11 January 1991 on the 'Redirection of Psychiatric Resources' states:

To create a comprehensive, decentralised support service for seriously mentally ill people, currently living in the community through relocation of 120 adult beds from Hillcrest Hospital to Glenside Hospital and disposal of surplus lands at Glenside and Hillcrest—

And there is the added clause that Cabinet should note that this is not a proposal for further 'deinstitutionalisation' of psychiatric patients to the community. The Government must recognise its responsibility to the people in need of the beds.

As consumer groups themselves recognise, it is much less of a stigma for mental health patients to be treated at a general hospital than at a mental hospital. However, the Government must not substitute a purpose-built mental health unit for a refurbished common ward. Having 20 beds just does not suffice. The need for an appropriate environment with specialised psychiatric nursing needs to be guar-

anteed. These units will have to be generalised; the make up of clients and their illnesses will be different. This itself reduces the nature of specialised expert care for patients.

In fact, it has been suggested that, rather than speeding their return to the general community, it is more likely that they will find themselves in a hospital situation on the Glenside site for a longer time. I wonder whether these generalist units will also be referral units. Rankin House at Hillcrest is one of the most beneficial assessment and acute treatment centres in South Australia. It services most hospitals, the police and all emergencies. It has built this reputation over time and provides a very important service. How can this be replaced?

In terms of community care, the definition or conception most widely and naively viewed on community is a total community in which people by discussion can reach a harmonious and mutually supportive existence and so achieve considerable control over their own lives. This terminology I welcome and aspire to. I hope it can become a reality, but I am not so naive as to believe that this can be the case at the moment with the economic and social conditions in which we live. If I take a pragmatic view of community care in South Australia and play the devil's advocate, it is not self-evident that to exist in a State-run institution is worse than being outside it, unemployable, isolated and trying to comprehend a distorted and persecutory world.

The failings of institutions are well known; the failings to which patients are discharged are not so well publicised. Releasing patients into the community has many assumptions, primarily that they can cope with the community and, secondly, that the community can cope with them. It also assumes that there are support networks, both private and public. At the moment there is little mental health community support from the public sector. We shall wait and see what the 'comprehensive' redirection provides.

There are also no guarantees that patients will have private support from family and friends—many do not, and those people can be seen walking the streets of Adelaide. I hope this Government does not allow a possibility when Hillcrest closes that forces many mental health patients on to the streets or into penal institutions. Community living for mental health patients should mean just that—community living, not just survival. A lot depends upon the efficiency and availability of the outpatient resources.

It is tempting to believe that treatment outside a hospital will be less expensive than treatment in it. It may be, but no-one has demonstrated it yet. The difficulties are obvious enough. We have already seen that, even when good out-of-hospital facilities are available, hospitals are still necessary. This has been demonstrated in a number of communities, both interstate and overseas. For a proper comparison we need to compare one appropriately designed, properly funded and resourced system against another, dealing with similar populations, and no-one has been able to discover such a state of affairs. Furthermore, one needs to add in the costing such things as the prison facilities used by the mentally ill who otherwise might be in hospitals. I do not think that one can say more than that any effective service will be expensive, and that it would be an error to champion any system on the basis of cost. The reasons for demolishing the institutions now are much the same as those advanced for building them in the first place.

For the State Government to provide a comprehensive support service to mental health patients in the community it must guarantee particular services including: an on-call 24-hour emergency crisis care team of the range of professionals (doctors, psychiatrists, psychologists, social workers, psychiatric nurses and paramedics); a centralised acute assessment, treatment and referral unit to replace Rankin House that is suitably set up with a well equipped team; purpose-built mental health units in the general hospitals that include trained psychiatric staff; accessible community outpatient centres that have the facilities to provide treatment, education and support services and have the ability to provide for temporary overnight clients; community occupational and education training courses and services for rehabilitation and life skills training to mental health patients: and a community awareness campaign to make the community aware and responsible for the support of community based mental health care.

Not only that but all these services must be coordinated so as not to establish duplication of services in some areas and lack of services in others. They need to be geographically and demographically based so as to best service clients. That is something that does not happen generally within the present health system. Anything short of this would be unacceptable and prove that the Government is after little else than to replenish the State coffers at the complete disregard of the mental health patients, care givers and professionals of this State.

The Hon. R.J. Ritson: If they do it properly, it will cost more to run it, anyway.

The Hon. M.J. ELLIOTT: That is exactly the point. South Australia has the potential of continuing to provide the best mental health service in Australia, but at a community level. I fully support such moves but the State Government must make a commitment towards that, regardless of cost. As the Hon. Dr Ritson interjected, it is quite likely, despite the costings done so far, that such a service will be more expensive. Even for a moment conceding that it could be cheaper (which I doubt), there is a very real risk that the Government is not willing to put money up front, as it will need to do. The other services need to be put in place before existing ones are closed. We cannot go through a program of closing down Hillcrest and then progressively putting in the services which replace it.

So, whether it ends up in the long run being cost neutral, more expensive or less expensive, in the short run it will be more expensive if it is done properly. When we consider that the State Government is in such dire financial difficulties, I am very afraid that we will see large numbers of mental health patients effectively thrown on to the streets in the short term in similar circumstances to those who have suffered difficult conditions in Sydney and in London, where they are now building new institutions. It is not necessarily the case that mental health care failed, but the way they went about it failed, and perhaps they have set back the cause a couple of decades.

I do not move this motion to oppose the closure of Hillcrest Hospital itself. I recognise there are real potential benefits for at least an increase in and a redirection of resources to community based services. It is essential that the Government release a time line which gives a clear indication to us all as to what will happen and when it will happen. At the moment these sorts of details are still very vague and nebulous. It is important that the State Government now gives an undertaking that no service at Hillcrest Hospital will close until a service exists that will properly cater for the displaced patients and the people who would go to it in the future.

The Hon. R.J. Ritson: You won't get that guarantee because it means that they would have two sets of facilities side by side.

The Hon. M.J. ELLIOTT: Well, that is the sort of commitment they must be prepared to make. They must be prepared to have two sets of facilities side by side in the

short term. In any other way, they would be letting down the very people whom they are claiming to help.

The Hon. R.J. Ritson interjecting:

The Hon. M.J. ELLIOTT: I would suggest that the budget papers are highly indigestible, particularly the speech in support of it. I urge the support of members of this Council. This is a matter of great importance which is causing a great deal of community concern. I hope that the Government will see this as a motion which, in the first instance, seeks undertakings and clarification and which is not a motion of opposition to the Government's proposal.

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

EXPIATION OF OFFENCES

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

That the regulations under the Local Government Act 1934, concerning expiation of offences, made on 27 June 1991, and laid on the table of this Council on 8 August 1991, be disallowed.

I am now aware that two different motions are to be debated. The motion following this one on the Notice Paper relates to parking regulations, and this motion is in regard to expiation offences, although they go together somewhat. I do not think that any member of this Council treats lightly the disallowance of regulations, I have been involved only with one before. I believe that the regulations are based on legislation and are usually gazetted and tabled following quite a bit of consultation with those who are interested in the subject. The Minister indicated to me yesterday that local government had a very long consultation process before the regulations were tabled. I acknowledge that it is not always possible to consult with everyone. Indeed, when considering parking or expiation fees, those most affected by regulations would be the drivers or owners of vehicles, and they are a difficult group to consult because they are all over the place. However, the Royal Automobile Association is a very reputable and long-established body which represents a very large number of motorists in South Australia.

The Hon. Anne Levy: They never take a vote on them.

The Hon. J.C. IRWIN: What do you mean by that?

The Hon. Anne Levy: You said that they represent them. They never take a vote on issues or on the executive.

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

The Hon. J.C. IRWIN: That is a fair enough comment. I had not known exactly how they operated, but let us put it this way—

The Hon. Anne Levy: Are you a member?

The Hon. J.C. IRWIN: I am a member.

The ACTING PRESIDENT: Order!

The Hon. J.C. IRWIN: I can even produce a badge. Nevertheless, the RAA seeks to represent the views of motoring consumers in South Australia, even if it is not as democratic as it should be in terms of holding a vote which, I suppose, would be a bit like the Democrats trying to conduct a poll of all their members on every issue. But, the RAA is a focal point and a reputable one for picking up the interests of motorists in a wide variety of areas and passing on those interests.

I was going to say originally that no-one represented the consumers, the drivers or owners of vehicles. However, the RAA is certainly one of them and perhaps is better than nothing at all. Speaking directly to my motion to disallow the expiation of offences, I am aware that the Subordinate Legislation Committee of this Parliament is hearing evidence from interested parties and individuals on this matter and that the committee has given notice to disallow the regulations tabled on 8 August. For those of us who know the process, I suppose that allows for more gathering of evidence from people who want to make submissions to the committee on this matter. At the end of that time the committee will decide, as a democratic body representing all Parties and both Houses of Parliament, whether it should move actually to disallow the regulations or not to proceed. Therefore, I am happy that that is taking place at this stage. I will consult further on this matter. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

PARKING REGULATIONS

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

That the regulations under the Local Government Act 1934, concerning parking, made on 27 June 1991, and laid on the table of this Council on 8 August 1991, be disallowed.

Not long after the new parking regulations, incorporating as they do the Australian standard signs, were gazetted on 27 July 1991, I was contacted by a number of people who expressed some concern. First, I was not convinced that the Opposition should move to disallow the parking regulations but, following more consultation and advice, the Opposition is now prepared through me to move for their disallowance. I have also asked a couple of questions of the Minister for Local Government Relations in this Council about this matter, and her answers indicated only that there were some problems and that the parking regulations must be looked at further.

I also acknowledged again that the Subordinate Legislation Committee has given notice that it will also move for the disallowance. Parking regulations are somewhat of a specialist area and, although I am happy to acknowledge that I am not a specialist in that area, I am learning rapidly. Some people have made it more than a hobby or a passing interest to observe the parking regulations as they apply through the central Adelaide business district and in metropolitan council areas and country areas. I am pleased that some matters raised by me recently and many others will be considered by the Subordinate Legislation Committee. I see that as being a proper forum in which serious discussions between all parties can occur.

I am satisfied that the many examples I have given in explanations of questions, and the many more examples that I could have given will be placed before the Subordinate Legislation Committee for its consideration. I expressed the thought to some people who had seen me about this that perhaps I ought to organise a meeting with the Chairman of the Local Government Bureau so that he or one of his representatives could have an understanding, if they did not have it already, of the concerns and complaints being expressed to me: that it was, if you like, hand-balling or passing the buck to some other area to try to sort the wheat from the chaff. That may still be a process which I should consider, and I might get advice from the Minister regarding that. But I may not take that course until I see what comes out of the subordinate legislation process.

I am concerned that the new Australian standard signs are confusing the public, and I put it to members here that anything new will confuse the public for a while, however good the signs are. We had an expose yesterday of the Minister explaining green Ps and Ps with crosses across them. Some people who have seen the new signs, as logical as they are, when they have had time to consider them, have expressed some concern that they cannot immediately pick it up.

The Hon. Anne Levy interjecting:

The Hon. J.C. IRWIN: Even my Leader in this Council has expressed some dismay as a result of parking with his children and extended family at the Adelaide Show.

The Hon. Anne Levy: It is easier with dollars and cents than it was with pounds, shillings and pence.

The Hon. J.C. IRWIN: I am sure it will be, and I am sure that, when it is a standard sign throughout South Australia, and those beyond Unley, for instance, have experienced them, we will appreciate them and get used to them. However, anything new is a bit of a shock and always has some confusion attached to it. I would have thought that the Government might learn from the experience of the introduction of speed cameras, where much the same thing happened. They came in overnight and people were hit with a speed camera reality without some previous warning. I mean not that the warning should necessarily have been to alert people to the dangers of being caught speeding, but rather that, because of the operation of the speed camera, where one is not picked up as with an amphometer and told immediately that one has gone over the limit, people were being hit with their fines some weeks and, in some cases, over a month after being picked up by the speed camera.

I noted when I was there that, in New South Wales after the South Australian experience and before the full introduction of the speed camera there, there was much less fuss than in South Australia, because New South Wales probably learnt from the South Australian experience and let the public know. On bridges, freeways and everywhere one went in New South Wales, there were warnings that in a month's time speed cameras would be introduced and operating in a certain number of weeks. From a certain date they would be fair dinkum and, until then, if a person had gone over the speed limit they might get a letter warning them to be careful next time and that after a certain date a fine would be imposed. I am sorry that we did not learn from the New South Wales experience and that we did not display those signs through one means or another to the people of South Australia before they came in.

The first real test was at the Show, in one council area. The Minister mentioned in answer to a question yesterday that the RAA was picking up this issue and that, through its excellent publication, no doubt in colour and in graphic detail, it is showing all the new signs and what they mean. I am not sure what other publications will pick up the signs, and I hope that the locally circulated morning and afternoon newspapers will pick up the signs.

The Hon. Anne Levy: Every council office.

The Hon. J.C. IRWIN: Every council office; perhaps the Messenger Press will do it as well.

The Hon. Anne Levy: They have not, so far.

The Hon. J.C. IRWIN: They have not? Unfortunately, the horse has bolted, in a sense, because these regulations have been in effect since 5 August, so they have been in operation for a month now. I agree with what the Minister said yesterday; we can say together that we hope that councils are somewhat lenient when they consider first-up fines in relation to the new signs. I will be even clearer: I do not think there should be any enforcement of new regulations in connection with the new signs until the public has had the chance of education. I believe it is a practice even in some areas of South Australia that if new signs are put up on a freeway, for instance, those enforcing the signs do not go near them for a few weeks, until people see what they are and get used to them. As I will be consulting with local government and other interested people and bodies over the next few weeks, until there is a chance to take this debate further, I seek leave to continue my remarks later.

Leave granted; debate adjourned.

PROSTITUTION BILL

Adjourned debate on second reading.

(Continued from 28 August. Page 541.)

The Hon. CAROLYN PICKLES: I support the second reading. Prostitution law reform has proved to be a difficult question for politicians and criminal justice authorities in Australia and indeed in most parts of the world. Law makers have attempted to come to terms with the almost impossible task of satisfying the needs of all sections of the community, often with far from satisfactory results. This Bill is the third attempt in this State at reaching such a compromise.

The first attempt was in 1980 by Robin Millhouse—his Bill was defeated in the House of Assembly on the casting vote of the Speaker. The second attempt was in 1986, when I introduced a Bill to decriminalise prostitution. I withdrew that Bill when it was quite apparent that there was not enough political will to allow it to pass. I am pleased that the Hon. Mr Gilfillan has decided to have another go. Having also taken on the herculean task of trying to achieve some sensible and fair legislation in this area, I congratulate the honourable member on his fortitude. I hope that this time we will achieve a result.

I am particularly pleased that on this occasion there has been a much freer discussion between some members of all political Parties than there was in 1986. I must acknowledge the support of the Hon. Mr Gilfillan, the Hon. Mr Elliott and many of my own political colleagues, together with one Liberal Party member, on that former occasion. The Hon. Mr Feleppa has made a very thoughtful and thought-provoking contribution on the issue of prostitution in his Address in Reply debate. I also listened with interest to the open-minded, sensible approach by the Hon. Ms Laidlaw in her speech on this Bill before us. Maybe indeed it is a question of third time lucky.

There are certain elements of this Bill with which I have some difficulties, and I would certainly look to making some amendments if the Bill passes the second reading. However, at this stage, I believe it is important for us to have a speedy passage of the second reading in order to ascertain whether there is support to proceed to the Committee stage.

From the debate on prostitution generally, it is obvious that there is a dichotomy of views on prostitution. It is still regarded as an immoral and undesirable activity by one section of the community. These people tend to be of the view that it is the duty of the State to keep prostitution in check and to minimise its effects through the criminal law. This view stems from a premise that the State should be responsible for establishing and maintaining moral standards.

The contrary view is that the State should not interfere with the sexual activities of consenting adults unless there are compelling reasons to do so, such as coercion and other criminal activity. This is the view that I hold. Both these points of view acknowledge that aspects of the practice of prostitution require some legal restraint. The point of disagreement is the type and extent of these restraints.

I welcome the information and issues paper *The Law and Prostitution*, written by Mr Matthew Goode. I believe that he has brought the issues into perspective in his paper. Having said that, I am disappointed that we have to continue to write papers on this subject and not act in changing

what are so obviously unjust and, in many ways, unworkable laws.

Earlier this year I delivered yet another paper to a conference organised by the Australian Institute of Criminology, another gathering of academics, law makers, police, prostitutes, public servants, moral crusaders, and so on putting points of view passionately and dispassionately, logically and illogically—but still lots of talk and little action.

This Bill is the subject of a conscience vote for members of both the Government and the Opposition. I urge members to note that the time for talking, writing papers and reports, having select committees and debating this kind of legislation *ad infinitum* is long past. We must now act, and we should take this opportunity to amend these unjust and unworkable laws. Recently I have had discussions with Professor Marcia Neave on aspects of this Bill. Professor Neave is currently Professor of Law at Monash University and was Dean of Law at Adelaide University.

Members will recall that Professor Neave was appointed by the Victorian Government in 1984 to:

> Inquire into and report upon the social, economic, legal and health aspects of prostitution, to make recommendations as to whether existing laws or town planning practice should be changed and to recommend other measures which 'might be necessary and desirable' with respect to prostitution in Victoria.

The final report was represented to the Victorian Government in October 1985 and is considered to be the most comprehensive report of its nature ever written in Australia. Its recommendations formed the basis for the Prostitution Regulation Act 1986. However, it must be stressed that this Act, based on Professor Neave's recommendations, was heavily amended in the Legislative Council.

Professor Neave and I also worked very closely together in 1986 on the drafting of the Bill that I introduced then. I think it is true to say that we tried to avoid the pitfalls of the Victorian legislation and certainly took into account the different circumstances of South Australia as opposed to Victoria. Following my recent discussions with Professor Neave, I asked her to make some brief comments on approaches to prostitution law reform that we should now take in South Australia. On 31 July this year Professor Neave wrote to me as follows:

> My approach to prostitution is based on the view that the State should not condone prostitution but should address the conditions which bring it about. The best way of reducing the size of the sex industry is to attempt to reduce demand for paid sexual services, while at the same time helping those in the sex industry to resist exploitation and involvement in criminal activity. The 'least worst' approach to law reform would be as follows:
>
> - Social policy should attempt to reduce prostitution by minimising demand and by addressing the conditions which make sex work the only means of achieving economic security for some women.
> - Laws criminalising prostitution-related activities, such as receiving money in a brothel, loitering for the purposes of prostitution and living on the earnings of prostitution, should be repealed, since their main effect is to increase the vulnerability of prostitutes.
> - So far as possible, harmful conduct which may be associated with prostitution (for example, employment of young people and various forms of coercion) should be prosecuted under the general provisions of the criminal law rather than under prostitution-specific offences.
> - Location of larger brothels should be controlled. Because of difficulties in applying normal town planning laws, the areas in which brothels can operate should be worked out between local government and the State Government. Controls over location should take into account the safety of workers, and the fact that clients seeking sexual services come from all suburbs and are not confined to particular areas. Controls should not be so rigorous as to force women to move into escort agencies, where they run the risk of being assaulted or even killed by clients. Town planning controls should not apply to detached premises used by one or two women who are working as prostitutes. Small brothels of this kind appear to have caused little difficulty in jurisdictions where they can operate legally.
> - Strategies should be developed to enable those working in prostitution to seek protection against employers who are involved in criminal activities or in other exploitative behaviour. This could be done by the establishment of a small police unit with the ability to respond to complaints by prostitutes. This approach is preferable to the establishment of an elaborate brothel licensing scheme, which is unlikely to protect prostitutes or to achieve the purpose of excluding criminals from involvement in prostitution.
> - The proprietors of brothels and escort agencies should be required to provide both workers and clients with information about sexually transmitted diseases and to supply condoms. Health issues should be dealt with under general public health legislation rather than by prostitution-specific laws. Criminal sanctions are ineffective to prevent the spread of sexually transmitted diseases. Both prostitutes and clients should have access to information which enables them to protect themselves against infection. The working conditions of prostitutes should give them the power to refuse to provide unsafe sex and to insist that their clients wear condoms.

I believe that these remarks of Professor Marcia Neave are eminently worthy of noting in relation to this Bill, and I suggest that members look at this very closely. I do not believe that I again need to put on the record at length my views on prostitution: they have been well documented over many years and I draw members' attention to my second reading speech in *Hansard* (page 466) of 20 August 1986. However, I would like to make the following points.

Present laws in South Australia penalise the provider of the service, not the client. Prostitution would not exist in the absence of a demand. Even in jurisdictions where there are laws directed at clients, prostitutes are prosecuted more frequently than clients because of difficulties in obtaining evidence. Laws penalising prostitutes are selectively enforced. Prostitutes servicing the top end of the market (so-called high-class call girls) are not subjected to criminal penalties, whereas women working in brothels are more likely to come to police attention.

Evidence from Victoria contained in the Inquiry into Prostitution from Professor Marcia Neave and elsewhere shows that the majority of prostitutes are poorly educated, have low employment skills and often have children to support. For example, in the study of 115 men and women prostitutes interviewed by the Victorian Government inquiry, about half of the women respondents had children and most had begun prostitution after the birth of their first child. Over half of the women with children had borne their first child at 19 years or under. By comparison, less than 10 per cent of women in the general population having a first child in the years 1975-80 were aged 20 years or under.

The majority of men and women interviewed in the Victorian inquiry gave economic reasons, including the need to pay for necessities and the need to support their family as their reasons for entry into prostitution. This was also the reason given by prostitutes during a phone-in conducted in July 1986 by the Prostitutes Association of South Australia. Hence, laws penalising prostitutes punish the victims of sexual and economic inequality.

Prostitution laws have never succeeded in eradicating prostitution but have only affected its form. Police resources are used to obtain convictions of prostitution rather than for more socially important purposes; for example, prosecution of drug dealers. Laws penalising prostitutes increase their powerlessness. Criminal sanctions against prostitutes force them into a criminal subculture and make it difficult for them to complain to police if they are exploited or abused. Hence, criminalisation increases the possibility of organised crime control and police corruption. There has been quite a lot written about the United Nations report, but people forget to quote the 1982 report of the special rapporteur on 'Suppression of Traffic in Persons and the

Exploitation of the Prostitution of Others', which found, and I quote:

> Treating prostitutes as criminals maintains their dependence on the world of procurers which is the world of crime and makes their social rehabilitation more difficult.

I should like to mention briefly some difficulties that I have with certain aspects of the Bill now before us. Like the Hon. Ms Laidlaw, I would like to see the results of the survey on the views of local councils on this Bill being conducted by the Local Government Association. From a discussion I had with the Secretary-General of the LGA, Mr Hullick, I understand that this will be available very soon and, since this Bill will not be debated after today, until 9 October, this may well give members the opportunity to assess the views of local government. I believe that it is important to note the views of Mr Matthew Goode in his report on planning. In section 10.20 he notes:

> The question whether the planning decisions about legalised brothels should be a function of the normal planning process and hence within the initial province of local government, or should be a function of a State Government instrumentality, is also not susceptible to one right answer. Much will depend on the attitude of local government to the changes proposed. Initial local government opposition to legalisation in Victoria led to planning by appeal and the abdication of normal planning responsibility by local authorities. Neither is a desirable state of affairs for a variety of reasons. If that can be avoided in South Australia by agreement between State and local government, there is much to be said for normalisation of planning decisions. Equally, it may be that local government's attitude to proposed change will be that if the State Government wants to do something perceived to be politically unpopular, then the State Government should take responsibility for the relevant decisions.

He continues:

> 10.21 If the planning responsibility is to be performed by the State Government, then the appropriate authority would be the Planning Commission, with appropriate mechanisms for appeal. In either case, there will need to be a deal of work done on the appropriate planning regime, based on the Victorian experience. A Brothels Supplementary Development Plan will need to be developed which pays attention to issues such as parking, hours of operation, amenity, clustering, proximity to incompatible uses, and so on. The Victorian experience has shown that it is highly desirable that the planning authority be empowered to place a time limit on the currency of the consent and have a realistic power to refuse renewal if the brothel is not run in accordance with the conditions of the consent.
>
> 10.22 The form of that SDP will vary according to whether the decisions are to be taken locally or centrally. But, in either event, the planning considerations must be integrated into the existing planning system in a much more coordinated and sympathetic manner than has hitherto been mooted. For example, most obviously, attention must be paid to the detail of non-conforming uses in non-residential zones. Care must be taken that the sensitivity over location is not taken to such a degree that all brothels are consigned to the railyards and refuse areas and that there are sufficient locations available for a realistic and competitive industry to be legal. The Victorian experience is quite clear on this. Melbourne now has as many legal brothels (about 64) as can be fitted within the planning rules . . .

I recall the criticism by local government of the Bill that I introduced, and my subsequent detailed response to these criticisms. I do not believe that we can ignore the views of local government but, naturally, we must avoid the mistakes of Victoria. There have already been unwarranted outbursts by some sections of local government, making ridiculous suggestions that would certainly have the undesirable outcome of entrenching a 'a red light district'—possibly based around the railyards of Adelaide. Such outbursts are unworthy of serious council attitudes and I hope that a sensible outcome to the questionnaire and subsequent negotiation with the LGA will obviate any difficulties.

I am not at all attracted to the concept of writing into this Bill punitive measures in the area of public health. The general framework for public health in this State is the Public and Environmental Health Act 1987. If members consider that there are deficiencies contained in this Act in relation to prostitution, then they should be addressed in that context.

The Federal Government's discussion paper 'Legal Issues Relating to HIV/AIDS, Sex Workers and Their Clients' by the Intergovernmental Committee on AIDS legal working party has supported decriminalisation of prostitution together with other recommendations encouraging safe sex practices, and I urge members to read this paper.

Prostitution has always been linked with the spread of venereal disease—quite incorrectly, as statistics show—and, in more recent years, with the spread of AIDS. Many prostitutes are well aware of health implications and voluntarily have regular medical check-ups. The potential for sexually transmitted diseases depends on the amount and type of sex with prostitutes, the protective measures used and the availability and use made of specialised medical care.

The Sexually Transmitted Diseases Clinic in South Australia has reported that in 1987, 647 cases of STDs were dealt with, and in 1988, 634 cases. In 1989, chlamydia was made a notifiable disease, resulting in increases of notification—1 814 in 1989, and 1 764 in 1990. Of the total number of cases in 1990 (1 764), 19 men claimed prostitutes as the contact for contracing the disease. Three of these said they had contracted the disease from prostitutes in Adelaide (.17 per cent) and 16 from overseas (.90 per cent) so, it is not correct to blame prostitutes for the spread of STDs; rather, we should blame enthusiastic amateurs.

The question of whether or not police require more powers, other than their quite considerable powers in the area of prostitution, is a vexed one. It would not be appropriate for the police to use any increased powers to place undue pressure on prostitutes who will be going about their legitimate business, if this Bill should pass, the police already have powers to protect minors in relation to this Bill.

With those comments on some of the areas of difficulty I have with this Bill, I support generally the other provisions, many of which were contained in the legislation I introduced in 1986. I have noted the criticisms of these areas made by Matthew Goode, and I think that we should bear these in mind should the Bill reach the Committee stage. I believe that there may well be some consensus here. I think that it would be productive for those members interested in seeing this legislation or something similar pass, to sit down and discuss the Bill with Mr Goode. The views of the LGA will be of interest at this point also.

One other area I would like to see included in legislation is the setting up of a monitoring committee to pay attention to areas of any difficulty if this legislation passes. Such a committee could be made up of people who can make some sensible contribution at no cost to the Government. The committee could be a broad consultative one to advise the Government and/or other appropriate agencies. It could have representation from such areas as the Health Commission, the AIDS Council, police, local government, the relevant Minister's department, the Prostitutes Association of S.A., the South Australian Council of Churches, and so on. The list is by no means restricted. I understand that Victoria was considering such a committee and may well have adopted this by now.

This Bill gives us an opportunity to come to grips with a difficult issue—and one that is not going to go away. It is time for us to look at this legislation calmly, logically and without prejudice. I therefore draw members' attention to the section of Mr Goode's paper on dealing with the morality of prostitution. In section 1.15 (page 7) he says:

> It may be that, in the words of George Bernard Shaw, 'Prostitution is caused not by female depravity and male licentiousness but simply by underpaying, undervaluing, and overworking women.

If, on the large scale, we get vice instead of what we call virtue, it is because we are paying more for it.' The idea that it is difficult to regard prostitution as a moral and social evil in and of itself is a hard one, and it is also difficult to summarise Richards' long and complex argument here. However, the idea of equal concern and respect for autonomy for sexual choice has not been given due play in the past, and it is difficult, as some feminists have discovered, to deal with the argument that '. . . there is something morally perverse in condemning commercial sex as intrinsic moral slavery when the very prohibition of it seems to be an arbitrary abridgment of sexual autonomy.' Indeed, this neatly captures the dilemma of some feminists. Freeman puts it this way:

> The challenge of reforming prostitution laws poses an inescapable dilemma: to resist the commodification of women's sexuality, which requires circumscribing choices that some women themselves insist are voluntary, or to support the right of women to decide to do the work they say they want to do, at the cost of reinforcing male dominance. The first approach is interventionist: it can be condescending, patronising and insensitive. The second is permissive: it appears to endorse the objectification of women and is, therefore, counterproductive if one is interested in dismantling gender hierarchy. This dilemma seems to recur whenever feminists try to remedy social inequality and empower women as a class, without punishing individual women in the process. It is a problem of transition from an unequal to an equal world.

Mr Goode continues:

> 1.16 Precisely the same dilemma faces those who argue the immorality of prostitution from different vantage points. The dilemma is, however, self-imposed. If one abandons the arguments based on the immorality of prostitution itself, and concentrates on the defensible limits of social intervention in the life choices and sexual autonomy of other people, the dilemma disappears. It is one thing to say that a certain occupation, lifestyle, or behaviour is less than ideal. It is quite another to say that it is immoral. It is a further step again to say that it is sufficiently immoral to threaten the very existence of the social order and hence attract a criminal sanction (which would pick up the Lord Devlin argument). The dilemma results from a decision to inflict one's own sense of the ideal of sexual relationships upon others. Dilemmas commonly result from such a position. The way out is to break the dilemma by denying one of its essential tenets—the immorality of prostitution.

I trust that, in further debate on this issue, members will bear in mind those points made by Mr Matthew Goode. His paper was very sensible. Having previously criticised yet another paper, I did draw quite a lot of new information from Mr Goode's paper, and I welcomed it. Members have this third chance to pass a sensible piece of legislation, although I do not agree with all aspects of the Hon. Mr Gilfillan's Bill. I am sure we will be discussing these different points of view very soon. I welcome the opportunity also to discuss these differences with the Hon. Ms Laidlaw and any other member who is interested. This is an opportunity for the Parliament as a whole to look sensibly, sanely and rationally at this issue. Maybe this time we can pass something. I urge members to support the motion.

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

STATE GOVERNMENT INSURANCE COMMISSION

Adjourned debate on motion of Hon. L.H. Davis:

That this Council condemns the Government and Treasurer for their failure to fulfil the duties and responsibilities set down in the State Government Insurance Act and demands the Government agrees publicly at the earliest opportunity to—

1. introduce appropriate legislation to ensure that the State Government Insurance Commission complies with the appropriate Federal insurance legislation and the requirements of the Insurance and Superannuation Commission;
2. ensure that the SGIC makes public its 1990-91 Annual Report no later than 31 October 1991;
3. ensure that the 1990-91 SGIC Annual Report contains a separate revenue statement, profit and loss account and balance sheet for both the life insurance business and general insurance business;
4. ensure that a supplementary report should be published no later than 31 October 1991 which contains a separate revenue statement, profit and loss account and balance sheet for both the life insurance business and general insurance business of SGIC for the financial year ending 30 June 1990;
5. seek an independent detailed assessment from persons acceptable to the Government and Opposition of the investment strategy, investment guidelines and any conflicts of interest in respect of property transactions and commercial mortgage loans entered into by SGIC since 1984.

(Continued from 14 August. Page 131.)

The Hon. L.H. DAVIS: Since I introduced this motion and sought leave to conclude, there have been a number of developments in respect of the State Government Insurance Commission. First, the annual report for SGIC has been tabled in conjunction with the 1991-92 State budget. I should say that it was pleasing to see the alacrity with which this report was tabled, in sharp contrast to last year when it was tabled in the shadow of Christmas Day and after Parliament rose.

Secondly, the Auditor-General's Report for the financial year ended 30 June 1991 has also been tabled and remarks have been made in that very comprehensive report about the accounts and financial status of the State Government Insurance Commission.

Finally, there have been some developments announced by SGIC itself, all of them bad, regarding some of the investment activities.

Let me address each of those matters and then look at the motion which I am urging the Council to support.

In examining the annual report of SGIC, I must say that it is pleasing to see that there is greater disclosure than ever before in relation to many aspects of its business activities. For that, I commend it, but I want to point out that there are many areas where I believe many deficiencies still occur in the lack of information provided by SGIC.

The Auditor-General's Report is quite blunt and quite precise. In his introductory remarks on State finances on page iv, he notes:

> On 21 May 1991, audit raised with the commission the issue of accounting for its insurance business with respect to the requirements of section 20 (1) of the SGIC Act, which requires the commission to maintain separate and distinct funds. Although it was clear that the commission was required to maintain at least two funds, one for life insurance business and one other, the situation was unclear with respect to the need for a separate fund for the compulsory third party death and bodily injury insurance (CTP) business.
>
> Audit also raised with the commission a number of interfund transactions which seemed to disadvantage one fund to the benefit of another. Legal advice obtained by audit subsequent to the review indicated there is no legislative authority—

and I emphasise 'no legislative authority'—

> for such interfund transactions. The commission acknowledges that there is a degree of uncertainty with respect to its authority to undertake such transactions.
>
> Audit's findings were subsequently supported by the Government Management Board review into the operations of the commission which reported in August 1991.

That is a damning indictment of SGIC's management and of the supervision of SGIC by the Treasurer of South Australia. Indeed, I wrote to the Auditor-General in July after perusing the SGIC Act expressing my concern about the possible breaches of section 20 with respect to interfund transactions.

There are some remarkable and unexplained discrepancies in SGIC's version of events. Mr Russell Cowan, an innocent abroad, as Public Relations Manager for SGIC, said publicly there could well be some problems with SGIC's interfund transactions, and may be a breach of the SGIC Act. Mr Cowan was publicly rebuked by the General Manager of SGIC, who said that, in his view, there was no such

breach of the Act and that the interfund transactions were legal.

However, the Government Management Board review of SGIC's activities, which was made public only weeks ago, made quite clear that the SGIC Board knew nothing of the burgeoning amount of SGIC interfund transactions which in fact peaked at approximately $200 million earlier this year. Fortunately, that has been rectified following the Auditor-General's inquiry into this illegality—and that is what it is—and no doubt the Treasurer's belated recognition of the problem.

Yet, in the SGIC annual report for the year 1990-91, on page 3 under 'State of Affairs'—which is rather an appropriate headline I would have thought—it states:

SGIC has been undertaking such transactions [interfund loans] virtually since its inception in 1972, without qualification by the Auditor-General. Moreover, SGIC has legal opinion that it is not precluded from undertaking such interfund loans and transactions. However, uncertainty has been expressed in a recent Government Management Board report, and by the Auditor-General, as to whether SGIC is empowered to engage in such transactions. We understand the Minister may seek an amendment to the SGIC Act to clarify the situation.

It begs one's imagination to reconcile the statements that, although SGIC has undertaken such transactions virtually since its inception in 1972, the board earlier this year did not know that these interfund transactions had reached staggering proportions—$200 million. Therefore, it was reassuring to me to look at the Act and see the unambiguous language in which it was couched, namely, that interfund transactions should not be countenanced, and that separate pools of money should be kept for the separate insurance activities of SGIC.

Having written to the Auditor-General expressing concern, I was very relieved to receive a prompt reply which made it quite clear that he was already addressing that matter, and so it proved to be in his somewhat pungent remarks about the illegality of interfund loans. Of course, the importance of interfund loans is that they create a distortion; a muddying of the profit and loss results for SGIC, and there is no other insurance institution in Australia which engages in such activities.

As I mentioned in my opening remarks some weeks ago, no other State-owned insurance company in Australia actually operates without any reference to the legislative requirements of the various insurance Acts of Federal Parliament, or the guidelines and requirements of the Insurance and Superannuation Commission.

I made the point last time that the then Commissioner for Consumer Affairs, Mr Michael Noblett, seven years ago warned the Government and the Attorney-General of the day (Mr Sumner) of the dangers of allowing SGIC to operate outside the legislative requirements of Federal Parliament with respect to insurance.

Since I made those remarks I have received a letter from the Insurance Council of Australia's regional manager, Mr Noel Thompson, which states:

My attention has just been drawn to the *Hansard* reporting of 15 August 1991, of your question to the Attorney-General on recommendations that SGIC comply with Federal legislation controlling the actions of insurers. On the same theme in 1984 the then President of ICA, Mr J.J. Mallick, wrote to Premier Bannon urging SGIC compliance with 'the same Commonwealth legislative requirements laid down for private insurers'.

You will see from the copy enclosed that, whilst the approach focused on intended contracts and intermediary legislation, the final paragraph clearly addressed the overall issue of compliance with all insurance legislation. Neither that letter nor my follow-up 26 March 1985 were acknowledged. Coincidentally, in March 1985 Trevor Griffin advanced the subject in the Legislative Council and from my subsequent letter to Trevor 15 July, you will see that as much as I could determine the issue had been referred to the Under Treasurer.

There, indeed, is the letter from the President of ICA to Mr Bannon in July 1984. A subsequent question was asked in the Council in March 1985 by the Hon. Trevor Griffin to the Attorney-General on the matter of complying with legislative requirements, as follows:

1. Does the Government propose to introduce legislation to bind SGIC to the Commonwealth Act and, if so, when will that legislation be introduced?
2. If legislation is not proposed, how can SGIC be bound by the Commonwealth legislation equally with its private sector competitors so that it does not receive an unfair advantage?

The Hon. Mr Sumner replied:

My recollection is that SGIC will abide by the principles of the Commonwealth Insurance Contracts Acts. I do not believe that there is any need for legislation, SGIC being a Government instrumentality. I will obtain further information on the topic for the honourable member and bring down a reply; suffice it to say that my recollection is that SGIC will abide by the provisions of the Act.

Well, the indifference and the arrogance of the Bannon Government several years ago has created the problem that we now face because SGIC, through not having to observe the prudential requirements of the insurance Acts of the Federal Parliament and other guidelines set down by the Insurance and Superannuation Commission, has been able to cut corners and, of course, the ultimate losers have been the taxpayers of South Australia.

Let me address the results of SGIC for the 1990-91 year. The first point that must be made is that, in the review of SGIC by the Government Management Board, made public in early August, two references were made to the fact that SGIC was predicting a profit for 1990-91. It was made public that SGIC executives had access to the report of the Government Management Board, and they had the opportunity to comment on that report immediately prior to its release. Therefore, one has to ask why on earth there was such an extraordinary discrepancy between the forecast of a profit for 1991, which was made in early August, and the actual result, which was a massive $81.4 million loss, reported by SGIC on the last day of August. If this happened in the private sector, where a company listed on the Stock Exchange had predicted a profit for the year, and just weeks later reported a massive loss of $81.4 million, it would have certainly faced an inquiry from the Australian Securities Commission. There would have been uproar by the shareholders.

SGIC must have been aware of all its problems at the end of the last financial year. SGIC recognised that it would be spending nearly $500 million to buy 333 Collins Street, Melbourne, as a result of the put option which had been approved by the Treasurer in August 1988. It knew that it had a dog in the Scrimber project, where $30 million was lavished on a high risk, high technology project in the South-East, which all major timber companies in Australia had rejected. It also recognised that the shares in radio station 102FM, along with the loans to that station, would almost certainly have to be written off, and they totalled nearly $11 million.

It came as something of a surprise to me to see this massive turnaround in profit, although I must say that the bottom line did not surprise me, given the enormous financial problems that SGIC has faced.

The annual report of SGIC certainly has more information than has previously been the case, and it confirmed that, subsequent to its balance date of 30 June 1991, it purchased 333 Collins Street, Melbourne, on 16 August 1991, along with the adjacent Sebel of Melbourne Hotel at 317 Flinders Lane, Melbourne. As a result, it has paid $465 million, the net price of the purchase. To put that into perspective, that would build five State Bank buildings.

That is how expensive the property was. It has been valued independently as at 30 June 1991 by Jones Lang Wootton at $395 million. Jones Lang Wootton is a well respected, national real estate firm.

I will not comment on its valuation; I will simply say that, when I was in Melbourne two weeks ago speaking to key executives in equally respectable national real estate firms, their consensus was that 333 Collins Street would have a current market value of between $250 million and $300 million. The fact is that the rental stream from 333 Collins Street is minimal; SGIC has admitted that it is currently $6 million, on an investment of $465 million. That represents a gross return of less than 1.5 per cent. When one remembers that SGIC is committed to paying $54 million a year in interest to fund the purchase of 333 Collins Street, plus maintenance, one can see the magnitude of the financial disaster that has been wreaked on SGIC and, ultimately, the taxpayers of South Australia.

There is a net loss—a net haemorrhage—of $48 million a year, and that will continue for several years. The vacancy rates in the central business district of Melbourne are approaching 20 per cent; 600 000 square metres of office space are available in the central business district of Melbourne and, to put that into perspective, that represents 600 floors of the State Bank building of South Australia. Putting it even more simply, it represents 30 buildings of 20 storeys each of empty space in Melbourne. Only last week I was advised by a real estate observer in Melbourne that SGIC had let more space in 333 Collins Street but that the terms had been very friendly. It was an arrangement that gave the incoming tenant the equivalent of four years rent free, however that was arranged. It might have been by paying for the fit-out, a cash inducement and so on.

So, 333 Collins Street has been an unmitigated disaster for the Government. It could well be renamed Bannon's folly, because it underlines the extraordinary financial naivety of the Treasurer of South Australia, John Bannon, along with the rest of the members of his Cabinet who, between them, have not one hour's practical business experience. Sadly, it shows in the pockets of the taxpayers of South Australia.

We have also had confirmation that First Radio is in the final stage of negotiation for sale, and that SGIC is carrying its investment in First Radio 102FM at nil value, as at 30 June 1991. Put more succinctly, more directly, we can say that SGIC has written off its investment of $10.8 million in shares and loans to 102FM. That has blown away $10.8 million in little more than a year—not a bad rate of return, I would have thought.

Finally, I refer to Scrimber, an investment project in which SGIC had a 50/50 per cent interest with SATCO. That investment has also been carried in the balance sheet at nil value at 30 June 1991, following the Government's decision to wind down this extraordinary project.

At the same time, Austrust Limited, the subsidiary company of SGIC, has purchased Executor Trustee in another trustee company, so we have the remarkable spectacle of the South Australian Government owning three trustee companies, namely, Austrust, Executor Trustee and the Public Trustee. No other State in Australia owns more than one trustee company.

I know from my discussions with people in the financial area and, indeed, from people who have rung me directly and who are clients of Executor Trustee that there is a high degree of unease about the transfer of a trustee company owned by one troubled institution, namely, the State Bank of South Australia, to another troubled financial institution, namely, SGIC. As a result of that transfer there has been a savage reduction in employment in Executor Trustee. I believe that would not have occurred—certainly, not to the same extent—if that transfer of Executor Trustee had been to the private sector—to a smaller trustee company or a company which, although it had a national operation, was unrepresented in South Australia or which had a very small presence in South Australia.

Although under the heading 'Likely Developments and Expected Results' the annual report comments on its various insurance, health and hospital activities, no reference at all is made to the expected rate of return on investments. I can say perhaps that should be no surprise because, when one looks at the property portfolio which, following the SGIC acquisition of 333 Collins Street will total on my judgment some $900 million, one sees that $600 million is earning no income whatsoever and another $100 million is earning very minimal income indeed.

The results of the subsidiary companies make interesting reading on page 18 of SGIC's annual report. Bouvet Pty Limited, which is the holding company for the Terrace Hotel, reported a loss of $3.5 million for the financial year ended 30 June 1991. Curiously, it also reported a loss of $4.8 million for the preceding year to 30 June 1990. That is in contrast to what had previously been reported when the Auditor-General brought down his supplementary report on 9 April 1991, when he noted that in the financial year to 30 June 1990 Bouvet Pty Limited had lost only $1.2 million.

So, what has caused a $3.6 million blow-out from $1.2 million to $4.8 million—who knows? What is $3.6 million when we are losing $81.5 million in one year, anyway. It is part of the slackness and sloppiness of the South Australian Government's financial management which is reflected in this failure to explain this discrepancy in Bouvet's accounts. In passing, I should note that result is achieved on a total investment of $100 million: in the Terrace Hotel $40 million for the purchase price of the Gateway from the Ansett Transport Industry group in mid-1988 and another $60 million for the refurbishment program, which blew out slightly from a budget estimate of $30 million.

So, we lost $3.5 million in the past financial year and, of course, that is not allowing for any interest, because Bouvet Pty Ltd receives an interest free loan on that investment. In the real world, if this was a private sector operation, we could add on perhaps another $10 million for interest, and that is erring on the generous side for loan moneys to fund the investment. Then, we are suddenly looking at a cool $13.5 million loss for the past financial year and nearly $15 million for the previous year. So, the effective loss for SGIC over the past two years in the vicinity of $30 million is of Scrimber-like proportions. However, the Hon. Mr Roberts is smirking over there. What is $30 million to this Government when it has to cope with $2.2 billion?

The Hon. Anne Levy: Are you going to talk about Adsteam?

The Hon. L.H. DAVIS: Finally, I wish to comment on page 21 of the SGIC annual report.

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: I am forced, Mr President, to respond to the very inappropriate and unwise interjection of the Minister for the Arts and Cultural Heritage. She said, 'What about Adelaide Steam and David Jones?'

The Hon. Anne Levy: I said, 'What about Adsteam?'

The Hon. L.H. DAVIS: Right, 'What about Adsteam?' Well, that is the Adelaide Steam Group. I am familiar with the term; I understand what the Minister means. What has happened to Adsteam and David Jones? They have been

victims of this economic downturn, and the Minister may say that they have been the victims of excessive debt. But, I want to say publicly that Mr John Spalvins certainly has been a straight arrow in the corporate world; he has been respected for what he sought to achieve in developing a corporate empire, and he has failed. However, the price of failure for Mr John Spalvins has been very high and very public because he is no longer the Managing Director of a very large corporate group. Of course, to the Minister the contrast—

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS:—could not be clearer because, on the one hand, whilst Mr John Spalvins has paid the price for the downturn in the fortunes of the Adsteam group, Premier Bannon has not paid the price for the downturn in the fortunes of the State Government's—

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS:—financial institutions such as the State Bank and SGIC. The Premier says that the buck stops on his desk. Well, there are so many bucks on Mr Bannon's desk—$2.2 billion of bucks—that he has disappeared from sight. He has disappeared from sight behind that 2.2 billion bucks on his desk.

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: The Premier has let loose a monster in his room which is consuming this Government.

Members interjecting:

The PRESIDENT: Order! Honourable members will come to order. This is a debate, not an arguing society.

The Hon. L.H. DAVIS: Thank you for your protection, Sir. The Minister, having concluded that she made an unwise interjection, may care to contemplate the next one, which I will be equally delighted to rebut.

The Hon. ANNE LEVY: On a point of order, Mr President, the honourable member is completely misrepresenting what I have said.

The PRESIDENT: There is no point of order.

Members interjecting:

The PRESIDENT: Order! Honourable members will come to order, and stop talking to one another.

The Hon. L.H. DAVIS: If the Minister screeched with the same intensity and passion in Cabinet meetings about these extraordinary decisions, of which she has been a part, we would not be debating this matter today. If she had the same passion for financial matters as she has for my parading facts in front of her, however unpalatable they may be, we would not be debating this matter today.

The Hon. Anne Levy: You're just spewing filth.

The Hon. L.H. DAVIS: The Minister says that I am just spewing filth. Let me tell the Minister that the gutters outside Parliament House are spewing with discontent, are spewing with lost millions of dollars. We are not only talking about $2.2 billion, which in fact would build 25 State Bank buildings or buy 5 000 Mars bars for each South Australian family—

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Davis will address the Chair and honourable members will stop interjecting.

The Hon. L.H. DAVIS: Let me return to this motion, before I inflict further destruction on the Minister for the Arts and Cultural Heritage. She may well be in charge of the ruins of this State, but the Treasurer has to take responsibility for the financial ruins of this State. Let me look, finally, at page 21 of SGIC's annual report. We see there an explosion in the income of commissioners and non-executive directors of companies in the SGIC group and related corporations.

We have seen an explosion in their remuneration from a total of $189 000 to $260 000 over the last financial year. That represents an increase of nearly 40 per cent. This is, of course, a bonus for a massive turnaround in profit, a deterioration from some $28 million profit in the previous year to an $81 million loss: they were rewarded with a 40 per cent increase in their income. Heaven knows what would have happened if they had actually reported a profit! Then we see, in the salary bands which have made a public appearance in an SGIC annual report for the first time, only after pressure by the Liberal Party over many months, an extraordinary increase in the salary presumably of the General Manager, Mr Denis Gerschwitz, which has increased from $170 000 to $180 000 in the 1990 year—

The Hon. Anne Levy: How much did Spalvins get?

The PRESIDENT: Order! The honourable Mr Davis.

Members interjecting:

The Hon. L.H. DAVIS: Mr President, will you bring this tiresome parrot opposite to order?

The PRESIDENT: Order!

The Hon. L.H. DAVIS: I think there is a discount on birdseed down at the local supermarket. I will see if I can oblige the honourable member.

The PRESIDENT: I ask all members to stop squawking and Mr Davis to get on with his reply.

The Hon. L.H. DAVIS: We have seen an increase from $170 000 to $180 000 for the salary of the General Manager of SGIC to $220 000 to $230 000 in the financial year just ended. In other words, his salary has gone up from a minimum of $40 000 to a maximum of $60 000. This again is a bonus for reporting a massive loss. I find that increase highly unacceptable, as I do the increase in the number of executives of SGIC who are receiving in excess of $100 000, because that number has leapt from seven to 11 over the last financial year.

The Hon. Anne Levy interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: You are not allowed to interject when you are out of your seat.

Members interjecting:

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

The Hon. L.H. DAVIS: The parrot flies, Mr President. The fact is that there are officers in the Treasury Department, and other senior public servants in Government departments and statutory authorities, who would have arguably equally responsible positions and who receive less than half what the General Manager of SGIC receives. I want to say quite unequivocally, as I have said before in this place, that the Liberal Party has no objection to people being paid commensurate with their ability, performance and responsibility.

The Hon. R.R. Roberts: You'd better give some back.

The Hon. L.H. DAVIS: The Hon. Ron Roberts says that I had better give some back.

The Hon. R.R. Roberts: All of it. Two bob would be too much.

The PRESIDENT: Order!

The Hon. L.H. DAVIS: If he can point to a wrong fact that I have advanced in this place about these important and serious matters, which he sadly is treating with some levity, or if he can point to an inaccuracy of any fact with respect to SGIC, the State Bank or the other financial institutions, I would be obliged. But, while I am here representing the interests of South Australia, as the Liberal Party has done throughout this calendar year and in the period since the last election—

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: Let me now address some of the matters remaining unresolved from the annual report. As I have said, there certainly has been an improvement. Although there has been greater disclosure than before in relation to the life insurance business of SGIC, and the actuary certificate gives some comfort that adequate reserves have been established, there is still not much information about the structure of the life funds' liabilities and the way in which the actuary has valued them.

I would hope that the Government, in responding with alacrity to this most important motion, will address some of the questions that I now ask. First, does the commission intend to publish statements in the form of the first and second schedules of the Life Insurance Act, which would facilitate an external assessment of the life funds' financial condition? I note from the annual report that the net assets include a $25 million subordinated loan, the proceeds of which are implied to be available to support reserves needed for life fund policy holders.

Who has made this loan? Are the terms of the loan genuinely subordinate to the interests of the life fund policy holders? If the loan has been made by another State Government instrumentality, does the interest payable reflect its subordinate nature? Is the loan also treated as an asset in backing non-life fund liabilities and, if so, has an element of double counting taken place? Has the actuary produced a financial conditions report complying with professional standard no. 1 issued by the Institute of Actuaries of Australia?

If not, on what grounds have the commissioners seen fit not to call for such a report? Given that such a report may not be legally required, it would nevertheless form valuable advice to the commissioners in carrying out their duties. If so, by whom has the report been reviewed, apart from the commissioners, given that such reports produced by other life offices are reviewed by the Insurance and Superannuation Commission, a well respected Federal body charged with the oversight of the insurance and superannuation industry in Australia which, in turn, of course, has the appropriate technical expertise?

If one looks at the results of the SGIC, in every sector operating profitability is down significantly, with only the compulsory third party showing a positive result. I seek leave to have inserted in *Hansard* a table, which I assure you is of a purely statistical nature, and which sets out SGIC's operating profit and loss for its various divisions.

Leave granted.

(SGIC OPERATING PROFIT/LOSS) BEFORE FUTURE TAX BENEFIT

	1991 $m	1990 $m	Percentage Change
CTP	16.6	45.9	− 63.9
Other general	−74.3	− 7.2	−931.9
Health	− 1.7	− 1.1	− 45.4
Other industries	−16.4	− 3.5	−365.7
Eliminations	− 5.7	− 0.3	−100.0
TOTAL	−81.5	33.8	−270.7
Dollar deterioration	−115.3		−270.7

The Hon. L.H. DAVIS: The total operating profit is down by a massive $115.3 million, from $33.8 million in 1990 to a loss of $81.5 million in 1991. That is a huge turnaround: a $115.3 million deterioration. It is a 270 per cent reduction in operating profit, and that result is after providing for abnormal items, which includes the write-down on 333 Collins Street of $70 million, taken into the books for a net price of $465 million and valued at $395 million by Jones Lang Wootton.

However, I have mentioned that other people would place a much lower value on it. If it went to sale in the present climate, I would not hold my breath about the price obtained. The second abnormal item is the write-down of land and buildings at $20.1 million. That related to Bouvet Pty Ltd, the Terrace Hotel, so presumably, although it is ambiguously presented in the accounts, again reflecting an unsatisfactory treatment in the accounts, one presumes that the $20.1 million abnormal item is a write-down of the value of the Terrace Hotel. This means that it is written down from $100 million to $80 million. In the current climate, market experts in the hotel industry tell me that it would have a value significantly less than that.

So, we are looking at abnormal item write-downs totalling $90.1 million. In its approach to property valuation, this report is ambiguous in its treatment of property write-downs, and I would like the Government to explain fully what has been written down, because it appears that the SGIC may well be at variance with the rest of the hotel industry in the way in which it approaches the valuation of its property portfolio.

Excluding abnormal items, the operating profit before tax is reduced from $33.5 million in 1990 to $8.6 million in 1991, a reduction of 75 per cent. Although the table sets out the segmented operations profitability, one would have to raise questions about the accuracy of this. Depending on individual circumstances, it would seem that one segment may benefit from another, particularly when one takes into account the interfund loan transactions; for example, how is the expense allocation between the funds arrived at? Is the compulsory third party operation subsidising the other segments of the SGIC? Given the compulsory nature of the income derived from compulsory third party, that everyone who owns a motor vehicle must participate in the compulsory third party scheme, the SGIC could be unjustly funding other activities.

The income tax credit of $24.4 million referred to in the annual account arises from a future income tax credit of $31.8 million being taken as a revenue benefit. The question must be asked whether or not the SGIC will be making profits in the immediate future so that it will be in a position to benefit from this dead asset. I would raise very serious questions about that likelihood.

It will be interesting to ask the Government to make public the budgeted estimate of the SGIC's profit for 1991-92.

The liquidity ratio of the SGIC has improved from 63:1 to 97:1 over the past 12 months. Although that is still not good, it was calculated before the purchase of 333 Collins Street in August, which must have put a massive strain on the liquidity ratio.

I now want to turn to the solvency ratio, because, as has been observed before, the SGIC appears to be in need of a massive capital injection, based on the solvency ratio applicable to the private sector with the exclusion of intangibles and life fund reserves. If the SGIC is to be subject to insurance industry requirements set down in legislation and by the Insurance and Superannuation Commission, a capital injection will be required. I seek leave to have inserted in *Hansard* a statistical table relating to SGIC's solvency.

Leave granted.

SGIC—SOLVENCY

	1991 $ m	1990 $ m
Adjusted Net Assets	$0.7	$64.3
Net Premiums	$228.8	$211.8
Solvency Margin	0.3%	30.3%
Private Sector, Standard	20.0%	20.0%
Shortfall (Surplus)	$45.1	$(22.0)

The Hon. L.H. DAVIS: The table shows that there is a shortfall of at least $45 million in the SGIC balance sheet and that it needs a capital injection of at least $45 million to comply with the insurance legislative requirements that are met by the private sector. That is a minimum amount: it may well be much greater than that. We must take into account the fact that there are ongoing interest payments on 333 Collins Street which gross approximately $50 million per year. We recognise that the property will be poorly tenanted. What are the cash flow projections for SGIC given there are so many dead assets, that is, assets earning no income now on its books? That is an analysis of the SGIC's annual accounts and also the Auditor-General's comments on SGIC.

I turn now to the matter of the property investments of SGIC. Last time I addressed this matter, I raised specifically my grave concerns about the purchase by SGIC of 1 Port Wakefield Road, and I want to refer also to the funding of the construction of a building at 1 Anzac Highway. In both cases, the Chairman of SGIC, Mr Vin Kean, was involved. Perhaps I should elaborate on the purchase of 1 Port Wakefield Road, Gepps Cross, because this purchase has caused widespread disquiet in the real estate industry. It is a talking point. It is the reason for an extraordinary number of letters and phone calls which I have received over recent weeks. It is a matter of grave and ongoing concern.

The sequence of events is as follows: in 1988 Lucas Batteries owned 1 Port Wakefield Road, Gepps Cross—that is, on the corner of Grand Junction Road and 1 Port Wakefield Road, immediately to the north of the Gepps Cross Hotel. During that year, I understand that JRA, which was the Jaguar Rover Agency in Australia, took over the ownership of that building. In the last quarter of 1988, an offer was made by a company in which Mr Kean had an interest to purchase that building from JRA. Of course, there is nothing wrong with that. The purchase price agreed to was $1.415 million, and settlement was to be effected in the last week of January 1989. By the end of 1988, the building, on a site of approximately 9 600 square metres of space, was empty.

The property was settled as agreed to in the last week of January, but it appears that it had been offered for sale by the real estate agents Hillier Parker before that date. Advertisements appeared in the paper on a regular basis offering it, first, for sale. On one occasion the price of $2.1 million was mentioned. Subsequently, it was offered for auction specifically as 1 Port Wakefield Road. The auction date of 30 March 1989 was set. The auction took place. I am told that there was only one genuine bidder, although those matters are always hard to prove, and SGIC emerged as the owner of an empty building, having paid $1.8 million to acquire it. So, in a matter of weeks, a company in which Mr Kean had a significant interest had grossed a profit close to $400 000. That building remains empty today, nearly two and a half years later. It has never been occupied. As I have said, I have had a number of calls about that matter from people in the real estate industry, from people who were present at the auction and from people who were concerned about the transaction.

The other real estate transaction which I believe needs a public airing is the financing by SGIC of the construction costs of 1 Anzac Highway—again, a building project in which the Chairman of SGIC, Mr Vin Kean, had a significant interest. Sometime in 1988, I believe, SGIC agreed to advance the full amount of the construction cost of that project, some $20 million, to the company in which Mr Kean had an interest—100 per cent of the construction cost. There are some national insurance companies who do not lend at all on construction projects such as that.

Certainly, amongst the banks and insurance groups that I have spoken to, a loan of 100 per cent of the construction cost is unusual, certainly where no head tenant is in place. Also, it should be remembered that 1 Anzac Highway was developing a high rise building in that precinct for the first time. It was a pioneering project of the very first order, and I remember, from my real estate friends at the time, much conjecture as to whether it would work.

I believe there are 13 serious questions which the Treasurer of South Australia must address with respect to these two transactions:

1. Who at SGIC suggested that SGIC should bid for 1 Port Wakefield Road at the auction on 30 March 1989?
2. Did the SGIC board give approval for SGIC to bid for the property at 1 Port Wakefield Road before the auction, or was it advised of the decision to bid before the auction took place? If not, why not?
3. If the SGIC board did not approve the decision to bid at auction, who did give the approval—and those names should be listed?
4. Was the SGIC board advised of Mr Kean's interest in the property, that is, that he owned the property at 1 Port Wakefield Road, and the recent history of the property?
5. Why did SGIC buy an empty building for 27 per cent more than Mr Kean's company had paid only weeks earlier?
6. Did Mr Kean know before the auction that SGIC was going to bid for the property?
7. Did Mr Kean attend the auction?
8. Does Mr Bannon endorse the purchase of the property at 1 Port Wakefield Road by SGIC, given the circumstances outlined?
9. What written guidelines and criteria for the purchase and sale of property by SGIC were in existence at the time of the purchase of 1 Port Wakefield Road? (Those guidelines and criteria should be made public.)
10. Why did SGIC fund the full construction cost of the building at 1 Anzac Highway by a company in which SGIC Chairman, Mr Kean, had a significant interest?
11. Who gave approval for this transaction; when was the approval given; and what was the initial rate of interest on the SGIC loan to finance the construction of the building at 1 Anzac Highway?
12. What other property loans has SGIC entered into in the last five years which involved advancing 100 per cent of the construction cost of a building project?
13. What written guidelines and/or criteria for loans by SGIC for construction projects were in existence at the time of the loan being made by SGIC for the construction of 1 Anzac Highway? (Those guidelines and criteria should be made public.)

As a result of this continuing disquiet and unease about these two transactions, the Premier must immediately release the report of the Crown Solicitor into the property transactions involving Mr Kean and SGIC. The Crown Solicitor's report must be made public, otherwise we will never know whether the Crown Solicitor had all the facts that I have outlined and, indeed, some of the facts which I have not outlined today.

That evidence in itself is sufficient to give all members of the House a reason to support the fifth leg of the motion which I am moving, namely, that the Government should agree publicly at the earliest opportunity to seek an independent, detailed assessment from persons acceptable to the Government and Opposition of the investment strategy, investment guidelines, and any conflicts of interest in respect of property transactions and commercial mortgage loans entered into by SGIC since 1984. I believe that all the matters in the motion, with the exception of the second leg, deserve the support of the Council. The second stage of the motion was to ensure that SGIC made public its 1990-91 annual report no later than 31 October 1991. I am pleased to see that that has been observed, but I remain fervent in my desire to see the motion supported in all other respects.

In conclusion, I find it ironic that on 1 November 1990 there appeared in the *Advertiser* an article headed 'SGIC chief blasts "greedy" business attitudes', by Matthew Warren. It states:

South Australia's largest insurer has launched a scathing attack on business attitudes in Australia, claiming they have been dominated by entrepreneurial greed and questionable deals. SGIC's chief general manager Mr Denis Gerschwitz said this attitude had resulted in widespread corporate collapse and spiralling debt. And he blamed the banks, media, politicians, institutional investors, lawyers and accountants for supporting a profit-at-all-costs attitude in the 1980s at the expense of community and family values. In his opening address to the 'Directions for the 90s' conference at the Hyatt Regency yesterday, Mr Gerschwitz said individuals would need to curb their desires for money, ego and power if they wished to correct the problem in the next decade.

I think that should be the Hyatt Hotel because it is in Adelaide, and the Hyatt Regency is in Melbourne. We can decide that later. The article continues:

'Why has it all happened? I suggest it is through greed—greed to acquire monetary assets, greed to line our own pockets, regardless of whether the business transaction that we are involved in will provide any benefit to the community at large,' he said.

'The whole system has the potential of crashing down around us and, as I said earlier, we only have ourselves to blame. The integrity of our business dealings and, indeed, our dealings with our families and the community, are questionable.'

... The institutional investors, such as SGIC, were also involved, 'scrambling after the stock of the entrepreneurial companies' because they showed the best profit.

... Mr Gerschwitz said any change would need strong leadership from politicians, who should forget the 'huff and puff' and their own egos to begin 'doing something for their fellow citizen'. 'We need integrity in all of our dealings in business, with our fellows, with our family. We need to get back to the very basics on which our social structure was founded'. 'Our forebears came to this country with an axe, crowbar and a shovel, and they forged a way of life which our grandfathers, fathers and uncles fought two world wars to preserve so that we can be sitting here today, saying and doing what we will in this wonderful country called Australia.'

The Hon. Anne Levy: How sexist!

The Hon. L.H. DAVIS: The Hon. Anne Levy suggests that these are sexist remarks. I think that Mr Gerschwitz and SGIC have enough problems without being accused of making sexist remarks. The quote of Mr Gerschwitz concluded:

I would suggest that unless we, and that is all levels of society, are prepared to alter our attitudes to life and living, we are headed for disaster.

It is hard to disagree with anything that Mr Gerschwitz said in that article of 1 November 1990. But, in effect, he has written the epitaph of SGIC, because embarking on the put option for 333 Collins Street, Melbourne, with the connivance and support of the Treasurer, John Bannon, was an exercise in greed to acquire assets regardless of whether the transaction would provide any benefit to the community at large. There was an enormous downside risk associated with the transaction. Mr Gerschwitz talked about the integrity of our business dealings.

The Hon. Anne Levy interjecting:

The Hon. L.H. DAVIS: There is such a thing as corporate greed, and that is what he is talking about there. I am saying that SGIC has been involved in corporate greed and been found wanting. Mr Gerschwitz said, 'The integrity of our business dealings and, indeed, our dealings with our families and the community, are questionable.' And he is absolutely right. The integrity of some of the dealings of SGIC are most questionable.

Finally, Mr Gershwitz said that any change would need strong leadership from politicians, who should forget the 'huff and puff' and begin 'doing something for their fellow citizen'. He said, 'We need integrity in all of our dealings in business.' That is the very point that I have been making in my speeches in this Council; that is the very point that the Liberal Party has emphasised over recent months and, indeed, in recent years. We are, as a Liberal Party, providing leadership in terms of the financial standards that should be set by State Government institutions.

The Hon. Anne Levy: John Elliott! John Elliott!

The PRESIDENT: Order!

The Hon. L.H. DAVIS: Mr President, she has flown the cage again. For Mr Gerschwitz to say that we need strong leadership for politicians is indeed welcome news but, of course, that strong leadership should have been provided by the Treasurer, John Bannon, in saying no to the put option of 333 Collins Street, Melbourne, and in standing up to the suggestions of SGIC management to purchase the Terrace Hotel, and many of the other failed investments.

Of course, the irony is that the same Mr Gerschwitz and the Government have been busy attacking the Liberal Party for demanding the integrity of our financial leaders, whether we are talking about SGIC management, or Government Ministers or professional financial management. As I said, I support and endorse everything that Mr Denis Gerschwitz said in his remarks to the conference 'Directions for the 90s'—they are absolutely correct. The sadness is that the Government of South Australia and the management of SGIC have failed to meet the standards set down in that address by Mr Gerschwitz at that conference. It is too late for the Government to redress the problems of the State Bank, SGIC and the South Australian Timber Corporation. We have inherited a mess of financial pottage which, of course, will be paid for by this and succeeding generations, but at least we can partly redress the problem by supporting this motion today. I urge all members, whether members of the Government or the Democrats, to support this most important motion.

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

SELECT COMMITTEE ON SA TIMBER CORPORATION AND WOODS AND FORESTS DEPARTMENT

Adjourned debate on motion of Hon. L.H. Davis:

1. That a select committee be appointed to inquire into and report on the effectiveness and efficiency of operations of both the South Australian Timber Corporation and Department of Woods and Forests with particular reference to—
   (a) the failed Scrimber project;
   (b) the Greymouth Plywood Mill;
   (c) the closure of the Williamstown Mill;
   (d) the proposed scaling down of the Mount Burr Mill;
   (e) the new Nangwarry Green Mill; and
   (f) the financial accounts of both agencies.
2. That Standing Order 389 be so far suspended to enable the Chairperson of the committee to have a deliberative vote only.

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

(Continued from 14 August. Page 134.)

The Hon. T. CROTHERS: I move:

Paragraph 1—Leave out all words after 'inquire into and report on' and insert the following:

the Government's decision not to make further financial commitments to the Scrimber project with particular reference to:

(a) the quality and timeliness of reporting by key project managers to the SATCO board and whether this adequately informed the board of the status of the project and the likelihood of commercial production being achieved within agreed budgets and timetables;

(b) the likely financial outcome of the closure of the Scrimber project including total project costs and likely recovery from sale of the plant as a whole or by auction.

Paragraph 3—Leave out the paragraph and insert new paragraph as follows:

That in making the said inquiries, publication of any evidence taken by or any documents presented to the committee, including the tabling of such evidence and documents in the Council, shall be prohibited unless specifically authorised by the Council.

I might say from the outset that the Government is prepared to support this motion to establish a select committee, although it believes that substantial changes to the terms of reference are necessary, as indicated in my amendments. We see nothing inappropriate about a select committee of the Council being given the task to inquire into the Government's decision to withdraw from the Scrimber project. As the Minister has said and the Cabinet has agreed, it is appropriate that an inquiry be held into the facts that led to the Government's decision to cease funding this project. If members of the Council indicate a willingness to take on this task, then the need for this inquiry will be justified. On economic grounds alone there is certainly no justification for multiple inquiries. However, that being said, Government members have a number of concerns, both about some of the attitudes expressed by the mover of the motion and about the enormously sweeping terms of reference he is proposing.

In speaking to his motion and in other public statements, the Hon. Legh Davis has clearly not sought to portray objectivity or a willingness to make judgments on the basis of evidence.

Members interjecting:

The Hon. T. CROTHERS: I have already told you, Mr Davis, that your definition of the word 'fact' is a lie and a half. Rather, the Hon. Mr Davis seems to be intent on prejudging the issues into which he says he wants to inquire.

The Hon. L.H. Davis: You must have splinters in your tongue, talking this rubbish.

The Hon. T. CROTHERS: I do not have them in my brain, which is possibly more than I could say for you. The honourable member's opposition to Government involvement in commercial timber activities is very well known and it is difficult to avoid the conclusion that he has constructed the terms of reference simply to enable him to make a case for privatisation of these activities. I do not believe that this Council should allow itself to be used in this way. As the honourable gentleman himself said in speaking to his motion, it is only a little over two years since this Council reported after a very lengthy select committee inquiry into the effectiveness and efficiency of the South Australian Timber Corporation.

The Hon. L.H. Davis: Just tell us what has happened in the past two years, though.

The Hon. T. CROTHERS: Listen and you will learn.

Members interjecting:

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

The Hon. T. CROTHERS: Thank you for your protection, Mr President. This report dealt at length with, amongst other things, SATCO's investment in Greymouth, New Zealand, and the Shepherdson and Mewett operation at Williamstown. Given this, and the fact that both of these investments have since been sold, it seems to the Government to be a considerable waste of time to undertake a lengthy post-mortem. So too the inclusion of the scaling down of some activities at the Mount Burr Mill and the installation of a new green mill at Nangwarry in the terms of reference.

This appears to be an attempt to muddy the waters by seeking to create some erroneous link between these Woods and Forests Department operations and the operations of SATCO. The proposal to examine the financial accounts of both agencies also seems odd, especially given that the Auditor-General is responsible for auditing both sets of accounts and reporting his findings to Parliament. In fact, he did so yesterday. Is the Hon. Legh Davis suggesting some lack of confidence in the Auditor-General by seeking to pass his own judgment on these accounts?

Finally, we have the proposal to empower the proposed select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council. In the Government's view, this is a highly undesirable term of reference and its inclusion seems to ignore the fact that both SATCO and the Woods and Forests Department are commercial operators in what is, currently, a considerably depressed and extremely competitive business sector. Injudicious release of commercially sensitive information could be very damaging to both agencies.

This applies particularly to the reports of H.A. Simons, the consultant engaged by the Minister of Forests in April to provide an independent assessment of the status of the Scrimber project. To have these reports enter the public domain while efforts are under way to find a new investor in the Scrimber project could be extremely damaging to the State's interests. The reports will need to be provided on a confidential basis to potential investors, but their findings will be able to be put into context by senior technical officers employed by Scrimber International.

The Minister of Forests has indicated his willingness to supply the Simons reports to this select committee as soon as it is formed. He has asked only that they be kept confidential until the select committee makes its report. Before outlining proposed amendments to the terms of reference moved by the Hon. Legh Davis, I would like to pick up some of the assertions made by the Hon. Legh Davis in his contribution to the debate. In speaking to his motion, Mr Davis told the Council that:

> In the 1984 annual report to Parliament, the Auditor-General expressed his concern at the magnitude of losses accumulated by SATCO since it commenced operations in 1979. He made the point that the corporation had no equity base . . .

It seems not to have occurred to him that a Liberal Government was in office for the first three years of SATCO's existence and that it did nothing about providing the corporation with equity in its formative stages. Secondly, this Government in the past few years has rectified SATCO's lack of equity—in line with the Auditor-General's recommendations.

The Hon. Mr Davis also made a whole heap of thoroughly inaccurate claims in relation to the Nangwarry green mill upgrade, the Mount Gambier woodroom and the scaling down of the Mount Burr mill, which claims need to be

corrected. For example, he criticised the design, performance and delays in the completion of the new Nangwarry Mill and delays in completion and an alleged cost blowout in the woodroom. Nowhere does he mention that the new Nangwarry mill was a turnkey project by a private sector contractor. It was a performance contract, with the contractor responsible for the design and installation of the plant and equipment to achieve specified performance criteria.

It is not unusual for major projects of this kind to take up to a year to be fully commissioned, but in this case the process has been further hampered by the less than satisfactory performance of the contractor. The department will be seeking compensation from the contractor for performance deficiencies. Be that as it may, the department reports that the planned production per single shift has now been achieved and that it is confident that the annual output of 100 000 cubic metres (not 130 000 cubic metres as claimed by Mr Davis) will be achieved.

In addition, the direct cost of the project remains within budget despite the fact that some modifications are still being undertaken to rectify contractor deficiencies. Mr Davis is wrong in claiming it would take up to $3 million to bring the mill into full production. Like Nangwarry, installation of the woodroom has been frustrated by the unsatisfactory performance of the private contractor. Again, the contract was to design and install a small-log merchandiser to achieve certain performance criteria, but this performance is yet to be achieved. Legal action is being taken for non-performance and damages, and compensation is being sought from the contractor.

Mr Davis's claims again have to be corrected. The cost of the woodroom project is still within the $4.3 million budget; the project was due for completion in July 1989, not June 1988; and 30 per cent rather than 50 per cent of scheduled production was related to the Scrimber project. The log for Scrimber was not necessarily intended to be the best quality log but, rather, log that related to a size specification. The halting of the Scrimber project does not alter the fact that the same volume of log exists for potential processing through the woodroom. It is the market for that log that will differ and the Woods and Forests Department is currently identifying market opportunities for this log.

Mr Davis has also peddled inaccuracies in relation to the Mount Burr Mill. He implies the entire operation is to close down, but he knows full well that the green mill will continue operating with only the dry mill and kiln drying to be phased out. More than 50 people will continue to be employed there—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. T. CROTHERS: Listen, don't jump. Put your brain in gear before your feet. More than 50 people will continue to be employed there and—listen to this—others will take up employment opportunities at Nangwarry and Mount Gambier; no-one will be retrenched. That is not what happens when private enterprise rationalises in the timber industry in the South-East, is it, Mr Davis?

The decision to scale down Mount Burr was the outcome of a detailed study by a joint departmental/UTLC working party. This process involved reviewing sawmilling operations across the department as a whole and not by considering individual mills in isolation. A wide range of issues were taken into account in arriving at a decision including relative capacity, efficiency and condition of sawmilling infrastructure across the three mills, future capital requirements, flexibility and work force considerations, impact on cash flow, profitability and other factors. It was agreed by all parties that scaling down Mount Burr was the best option to assist the department's future competitiveness and profitability. The Hon. Mr Davis likes to assert that Mount Burr is the only profitable unit in the Woods and Forests Department. I know he will be pleased to know that the changes now under way will help make the whole departmental sawmilling operation more profitable.

It should also be noted that the closure of the Scrimber project will have no bearing on the Mount Burr scaling down as Scrimber log is too small in diameter for conversion to sawn timber. We saw a re-run in the honourable member's speech of the phantom buyer for Mount Burr—a genuine buyer, the honourable member claimed, who refused to be identified and who was never put in touch with the Minister of Forests, who was prepared to meet him. There is no doubt that this phantom buyer had only one interest—access to Mount Burr's log supply. When it was made clear this was not available, like most of Mr Davis's phantoms, he faded into the mists of obscurity.

Members interjecting:

The PRESIDENT: Order!

The Hon. T. CROTHERS: Mr Davis, there are no second prizes. You have had a considerable time to get this gentleman in touch with the Minister, and that has not happened.

The PRESIDENT: Order! The Hon. Mr Davis will come to order. The Hon. Mr Crothers will address the Chair.

The Hon. T. CROTHERS: Thank you, Mr President. Again, it should be emphasised that all available Woods and Forests Department sawlog is required by the department to maximise the benefits of economy of scale in its operations. Mr Davis criticises the efficiency of the department and yet supports a diversion of sawlog to a third party, knowing—if he knows anything—that this will work against achieving greater efficiency in departmental operations, improving profitability and meeting customer requirements. For each and every one of the reasons that I have stated and outlined, I commend my amendments to the Council.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

HEAVY TRANSPORT

Adjourned debate on motion of Hon. Diana Laidlaw:

That in relation to the agreement signed at the special Premiers Conference on 30 July 1991, this Council—

1. supports the proposed national heavy vehicle registration and regulation scheme;

2. opposes the proposed national heavy vehicle charging scheme based on Interstate Commission (ISC) mass/distance principles, on the grounds that the charges will have a severe social and economic impact on South Australia's heavy vehicle industry, industry and consumers in general and our rural/remote communities in particular; and

3. calls on both State and Federal Governments to dedicate a substantially larger proportion of revenues already gained from fuel taxes for road construction and maintenance programs.

(Continued from 28 August. Page 532.)

The Hon. T. CROTHERS: I move:

Leave out all words after 'this Council' and insert the following:

1. supports the national heavy vehicle registration and regulation scheme; and

2. congratulates the South Australian Government for successfully arguing for a two zone proposal which will provide protection for our State because we will be able to influence the levels of charges on heavy vehicle transport within our zone and therefore will ameliorate severe social and economic impact.

I rise to speak to the motion before the Council—

The Hon. DIANA LAIDLAW: I rise on a point of order. Mr President, I ask for your guidance. As the Hon. Mr

Crothers' amendment totally changes the text of my motion, is it acceptable for him to move the amendment?

The PRESIDENT: I consider that there is no point of order. It is no different from any other motion we have had where often we have an amendment that reverses the whole thrust of the motion that was originally before the Chair. I do not see it as a point of order.

The Hon. T. CROTHERS: I am very pleased at your ruling, Sir. I, like yourself, am always of a mind that leaves me loath to gag free speech. I thank you, Sir, for your ruling in respect of the Hon. Ms Laidlaw's point of order.

I rise to speak to the motion moved by the Hon. Ms Laidlaw, and I suppose that one would have to say that it is the Laidlaw bird's eye view of agreements reached at the special Premiers Conference held on 30 July this year, with particular reference to the heavy transport registration and regulation scheme. The honourable member has moved a proposition in three parts, and I have already moved my amendment thereto, which should now have been circulated to all members. It seeks to strike out all words after 'this Council' and insert the following:

1. supports the national heavy vehicle registration and regulation scheme; and

2. congratulates the South Australian Government for successfully arguing for a two-zone proposal which will provide protection for our State because we will be able to influence the levels of charges on heavy vehicle transport within our zone and therefore will ameliorate severe social and economic impact.

The Hon. Diana Laidlaw: No wonder you're laughing!

The Hon. T. CROTHERS: I am laughing at your discomfiture as you squirm about over there.

The PRESIDENT: Order!

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: Stay with me and you will be! In moving this amendment, I have very carefully looked over the original proposition to see what, if any, benefit would ensue to South Australia and its people should the Laidlaw proposition go through without this Council hearing some of the things she did not say or, at least, completely brushed by.

Having done that, I have come to the conclusion that, largely, the best I can allocate to the honourable member is five out of 10, and this amendment was therefore called for. I might also add that some of her expressed concerns are also shared by the Government, but at the end of the day it is the Government's belief that the agreement that was signed by the Premier is and will continue to prove to be in the best interest of South Australia.

I wish to place on record a number of things in relation to this issue. Generally, being modest in most things, I feel that on this occasion I must abandon my normal bent and state that during my working life, both here and in Victoria, I have been a heavy transport driver, so I think that I can say that I do feel an affinity with that occupation. Secondly, all Governments, when dealing with most matters today, must face up to environmental issues, and this is just as true of transport as of any other industry. Thirdly, in this era of tight economic restraint, all Governments must endeavour to ensure that every dollar spent gets maximum returns.

Fourthly, in road transport, which in relation to freight charges is a fairly cut-throat industry, there is no such thing as a free lunch, because you see, as our roads are damaged by constant overuse by heavy vehicles, it is the taxes that are collected by Government from the community that must be used to fix them up. The same can be said of the environmental damage that may be caused in quarrying out the raw road-mending material needed or indeed by laying out and advancing new road works. I should say that, if one thinks about it, the taxpayer gets hit twice in this regard.

For, you see, if the road haulage industry is charging freight prices that undercut the price of rail freight, then it is the Australian taxpayer at both ends of the spectrum who is subsidising this cost competitive edge enjoyed by the road traffic industry.

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: I have personal experience of it—which you do not have, by the way. Turning now to the Government business at hand, I wish to take issue with the honourable Ms Laidlaw on some of the contents of her proposition, which in part states:

Opposes the proposed national heavy vehicle charging scheme based on Inter-State Commission mass/distance principles on the grounds that the charges will have a severe social and economic impact on South Australia's heavy vehicle industry, industry and consumers in general and our rural/remote communities in particular.

Let us just see how factual and accurate are the contents of that piece of Laidlaw verbiage. Let us now examine what in fact was decided by the special Premiers Conference and the heads of agreement which were signed, for that matter is of far too much importance to this State for this Council to base its decisions on the whimsy and speculation of any one member.

The current move for a national heavy vehicle system owes its genesis to a May 1990 report on road use charges and vehicle registration released at that time by the Inter-State Commission. It is a fact that the South Australian Government is on record as opposing that report, the subsequent review and the imposition of significant increases in charges. Following from this, the heads of Government agreed at the October 1990 special Premiers Conference to the establishment of a national heavy vehicle registration scheme, uniform technical and operating regulations, and nationally consistent charges.

Members should note well that the agreed basis for charges is 'full and consistent levels of costs recovery'. I know that that is a principle, because I have heard it many times from the Opposition benches, and that is dear to the heart of the Liberal Opposition in this Council. The use of the word 'consistent' in that quote was inserted in place of the word 'uniform' at the insistence of South Australia, and this goes a fair way down the track in rebutting the Laidlaw allegation that John Bannon sold out South Australia.

Now, because of the agreement reached at the special Premiers Conference meeting in July of this year, a national road transport commission will be established some time during this month. The National Road Transport Commission will advise on registration and regulatory matters as well as developing a recommended final charging schedule and phase in proposals. Further, a ministerial council will be set up that will have the right to oppose recommendations made by the commission.

It was at this time that the Northern Territory decided not to sign the agreement, although whether it might sign at some future time is a moot point. However, one thing the Territory Government does agree on is the establishment of the commission, and it will mirror in its jurisdiction non-charging regulations implemented under this new scheme to achieve uniform regulations throughout Australia.

The Council should note that, on this, all of Australia's States and Territories are as one and, to that end, planning is to commence immediately to interlink the existing set of motor registries, allow for the automatic exchange of defect notices, allow a simplified number plate system, and facilitate the development of registration procedures so that

information on all heavy vehicles is available nationally by July 1992. All participants agree that reform in this area is long overdue. However, it should be said that in any move for uniformity, particularly in the area of technical regulation, compromise may well be required, and that may not always be to the advantage of South Australia's transport.

For the information of the Hon. Ms Laidlaw, who moved this motion, I wish to place on record that, contrary to her expressed view, the South Australian Government is well aware of the potential adverse impact that substantial road transport charge increases could have on the heavy vehicle industry, consumers in general, and our rural and remote communities in particular.

The Hon. Diana Laidlaw: Odd way of showing it.

The Hon. T. CROTHERS: If the honourable member listens, she will learn.

The Hon. Diana Laidlaw: I do not think that's likely.

The Hon. T. CROTHERS: You may not learn much, I agree; it is very difficult to teach you.

The PRESIDENT: Order!

The Hon. T. CROTHERS: Mr President, it was for this very reason that the Premier was reluctant to sign the agreement and why the State was so opposed to the ISC's charging recommendations, but in spite of these reservations, South Australia was successful in having a two zone charging scheme agreement struck at the 30 July Special Premiers Conference, with South Australia, Western Australia and Queensland in the low cost/low charge zone—and I emphasise that.

The Hon. Diana Laidlaw: Bet you don't know what the charge is.

The Hon. T. CROTHERS: Neither do you, but the honourable member sought to have tables incorporated in *Hansard* during her contribution. New South Wales, Victoria, Tasmania and the Australian Capital Territory made up the high cost/high charge zone. Whilst the South Australian Government still has some reservations with the agreement, mainly in relation to the charging component, the recognition of differences in road truck costs across the nation and the introduction of a two zone charging system at least goes some of the way towards meeting the State's concerns.

As to whether or not lower charges can be maintained in the lower charge zone of South Australia, Western Australia and Queensland, that is, when goods are transported into and out of the higher charge zones of New South Wales, Victoria, Tasmania and the Australian Capital Territory, they will be subject to a higher charge structure over which South Australia, in any case, even had it stayed out of the agreement, could never have been expected to have much influence. In saying that, I point out that that system means very little change from the existing situation.

Whilst the Hon. Ms Laidlaw asserts that, in not agreeing to this, the Northern Territory might somehow or other be seen to be taking the high moral ground and that South Australia seems to have thrown in the sponge, I would ask the Council to consider: first even by the Northern Territory not signing the agreement, transport operators from there going into the high cost zone will be liable for the higher charges and, secondly, by signing the agreement, South Australia has the ability to influence the proceedings from within the process.

I shall conclude by turning to the question of charges, about which the Hon. Ms Laidlaw in her contribution expended much rhetoric. The National Road Transport Commission will have the task of recommending road transport charge levels which, within certain constraints, can be rejected by a majority of States within a zone if deemed to be unreasonable. Consequently, and I say this for the better understanding of the Hon. Ms Laidlaw, any discussion of ultimate charge levels is speculative in the extreme at this stage. Charges will be phased in. First instalments will be introduced by 1 January 1993 and full cost recovery by 1 July 1995 for all vehicles except road trains. Road trains are to have up to 50 per cent of the registration (that is to say, mass distance) charge in place by 1 July 1995 and to be fully implemented by 1 July in the year 2000.

In relation to the charge levels that have been discussed to date during the Special Premiers Conference process, heads of Government noted, but did not endorse, indicative charge levels determined by officials. Indicative, first stage levels (that is to say, highest legal masses) developed by officials from the overarching group on land transport for six-sided articulated trucks, B-doubles and triple tracker road trains are $7 750, $12 370 and $22 550 respectively, with road trains receiving a 50 per cent concession (that is, all up) and the top price $11 250 per annum. In many cases, indicative charges are lower than equivalent charges proposed by the Inter-State Commission. This compares with current equivalent South Australian charge levels of around $3 100, $4 300 and $7 100 respectively.

A suggested second stage approach or relating charges closer to actual distance travelled would, if implemented, result in a doubling of indicative charge levels for some operators. It is also expected that the scheme developed will recognise special groups, such as farmers and people travelling relatively short distances, by providing some sort of rebate system. Further, heads of Government recognised that consultation with industry on all issues is essential and it has to be said that the level of consultation to date at the national level has been very poor. However, where possible, and under the constraints of the Special Premiers Conference process, consultation has taken place with local industry through bodies such as the Commercial Transport Advisory Committee.

I am sorry that I have had to take up so much time of the Council in answering what to me seemed to be purely speculative guesswork by the Opposition spokesperson on transport. In fact, one of my colleagues told me that, in his view, it was purely electoral claptrap aimed at consolidating the Hon. Ms Laidlaw's position in the ranks of her own Party, but I have to say that I told him that I did not agree with that. Hopefully, however, though it has taken some time to do so, I have answered the Cassandra type criticisms of the Hon. Ms Laidlaw and her Party.

Consequently, Mr President, and having regard to the second part of my amending motion, that is, that the South Australian Government should be congratulated for successfully arguing for a two zone proposal which will provide protection for our State because we will be able to influence the levels of charges on heavy vehicle road transport within our zone and therefore ameliorate severe social and economic impacts on the State of South Australia, I commend my amendment to the Council.

The Hon. K.T. GRIFFIN secured the adjourned of the debate.

[*Sitting suspended from 5.59 to 7.45 p.m.*]

STATE TRANSPORT AUTHORITY

Adjourned debate on motion of Hon. I. Gilfillan:

1. That a select committee be established to inquire into and report on—

(a) the efficiency, effectiveness and appropriateness of STA and other urban public transport services in the Adelaide metropolitan and adjoining areas;

(b) the economic, environmental and social costs and benefits to be obtained from public funding of urban public transport;

(c) the advantages and disadvantages of alternative methods of providing transport services and alternative relationships between service providers and governments;

(d) any other mattters relevant to maximising the community benefits of public funding of urban public transport;

and

(e) measures necessary to ensure the community benefits of urban public transport are continually maximised in a changing environment, paying particular attention to—

(i) industry structures and roles of Federal, State and local governments that provide the flexibility to adapt to change;

(ii) levels, sources and methods of public funding that maximise community benefits;

(iii) organisational and management arrangements that encourage continual improvement in performance, expecially in respect to customer service and efficiency;

and

(iv) any other measures to achieve this aim.

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

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

(Continued from 28 August. Page 538.)

The Hon. T. CROTHERS: I rise on behalf of the Government to oppose the Hon. Mr Gilfillan's motion which, if carried by the Council, would have the effect of setting up a select committee aimed at inquiring into—

The Hon. M.J. Elliott: You said last week that you were going to support it.

The PRESIDENT: Order!

The Hon. T. CROTHERS: I will have some nice things to say up the track. As I was saying, if the motion is carried in the Council it will have the effect of setting up a select committee aimed at inquiring into the efficiency, effectiveness and appropriateness of the State Transport Authority and other public transport services in the metropolitan and adjoining areas. The Council should note that I have only referred to paragraph *(a)* of the motion. It has four other paragraphs, *(b)*, *(c)*, *(d)* and *(e)*, and paragraph *(e)* in itself is divided into four subsections.

This makes the terms of reference for the proposed select committee very broad indeed, and they would extend well beyond the responsibilities of the State Transport Authority. However, having said that, I believe that the ideas that the Hon. Mr Gilfillan is toying around with have some merit, even if both the method and the verbal tapestry he is using to promote them are not, in my view, the best way of giving effect to those ideas. I pride myself that the Government of which I am a member is not one which knocks ideas and, indeed, it never will, irrespective of what the source is. This is unlike some of our opponents in the Opposition, whose view of political life, it would seem, is to take everything they can and use it to the absolute maximum of political advantage irrespective of the damage they do to the State of South Australia in the process.

The Gilfillan motion seeks to set up yet another inquiry into the State Transport Authority, in spite of the fact that over the past five years there have already been several other inquiries into the efficiency and effectiveness of that organisation. Indeed, the recent past has seen the production of the Fielding report and the Labour Productivity Review carried out by Price Waterhouse Urich. If the recommendations contained in those reports had been left on the shelf to gather dust one could understand the need for Mr Gilfillan's proposed select committee, but the facts are that they have not.

In fact, recommendations which have already been adopted have led to a continual improvement in the operations of the authority. For instance, operating costs have decreased in real terms by 10.5 per cent since 1985-86, and this has occurred despite the need to increase expenditure to combat vandalism and to provide for service extensions in outlying areas. In addition, labour productivity has increased by 9 per cent in the past four years, whilst staffing levels have been reduced by 30 per cent at head office and by 12 per cent in the area of operational employment. It is a certainty that these improvements will continue as current initiatives take effect and as the authority further decentralises functions to depots, as recommended by Fielding in his report.

It is further believed that the introduction of transit link services and changes emanating from the Adelaide Public Transport Network Study will also increase the effectiveness of services provided to customers. So, it seems to me that, in the light of the foregoing, very little stands to be gained by further inquiring into the efficiency and effectiveness of the STA until the aforementioned initiatives have had a chance to take effect.

I turn now to the contribution made by the Hon. Mr Gilfillan in support of his motion. Those members who were in the Council will recall that I said at the outset that there seemed to be some merit in what the honourable gentlemen appeared to be aiming at. My insight for saying this came not from reading the Gilfillan proposition, as I found the verbiage in that missive to be rather confusing, but rather from the comments that Mr Gilfillan made when he was on his feet talking on the subject matter.

For instance, amongst other things, he talked about environmental matters and the damage done in and to our environment by the continued use of fossil fuels for personal transport. Unfortunately, I note that Mr Gilfillan failed in his contribution to make reference to heavy transport which, like the motor car, is doing great damage to our environment by its continued use of fossil fuel. In fairness to the honourable member, he made reference on a number of occasions to commercial vehicles, although he was less than specific in those instances.

Mr Gilfillan also talked at length in his contribution about the housing and population growth of Adelaide and the need to address those two areas of expansion over our lifetime. I wholeheartedly agree with the honourable member on that point, but I fail to see how a select committee into the effectiveness and efficiency of the State Transport Authority will address those particular issues. Indeed, so far-flung are the parameters of the honourable member's proposition, that if it gets up and is properly addressed by the subsequent select committee it may take a lifetime to come to a conclusion.

Turning again to matters of the environment, which made up a goodly portion of the honourable member's contribution, I would inform the Council that the Government, like Mr Gilfillan, is also concerned about the environment. Where we differ, I guess, is how we go about maximising our efforts in fixing and sustaining it. Whilst I recognise that our State of South Australia has its part to play with all the other States, it would seem to me that the most effective and efficient way of doing something meaningful towards fixing up our environmental problems is for all of the States to act collectively under the umbrella of our national Government.

I pose the question to the honourable member: what good does it do a committee of the South Australian Parliament to make findings into the use of fossil fuels by private motorists and others if the other States do not follow suit? How, for instance, do we stop motorists, truck drivers, aeroplanes, ships and trains from New South Wales, Vic-

toria or any other Australian State or Territory, from using our road, rail, air space and waterways?

The answer is really quite simple: under section 92 and other sections of our Constitution we, as a Parliament, cannot in my view achieve what the honourable member wishes to achieve. In fact, if we tried, we would finish up isolating ourselves from the rest of Australia with all the impending detriment that that would cause this State and its citizens. Even if we were to legislate, as sure as night follows day there would be an appeal taken to the High Court of Australia which, if past precedent is anything to go by, we would most surely lose. So, just on that ground alone, this Council should not support the Gilfillan move for a select committee.

The Hon. I. Gilfillan: I don't know what you're talking about, Trevor.

The Hon. T. CROTHERS: I realise that you don't, and that's why I'm trying to educate you by saying this. I put it to this Council that if the STA is already implementing recommendations from the Fielding report, and if we cannot give a legal and practical effect to some of the findings of such a committee, particularly as they relate to our environment, then commonsense tells us that, to maximise our dealings with the environmental problems associated with the use of fossil fuels, we have to do so as one nation. If we do not, we may as well go back in time when we acted State by State and finished up with at least four different breadths of rail gauge, with all of the problems that that has caused this State over many years.

The Hon. Diana Laidlaw: South Australia used to lead in terms of transport.

The Hon. T. CROTHERS: It still does; thank you for that reminder. South Australia has always been a leader in the area of transport. I completely agree with that. The Government therefore opposes the Hon. Mr Gilfillan's motion.

In conclusion, I would like to suggest to the Australian Democrats in this place that if they want to do something meaningful about what the Hon. Mr Gilfillan talks about in relation to this matter, the very fact that his Party controls the Federal Senate by its numbers must be of more than considerable use to the honourable member in expediting this quest; his latest electoral holy grail. The Government opposes this motion.

The Hon. DIANA LAIDLAW secured the adjournment of the debate.

ABORIGINAL LANDS TRUST (WANILLA)

Consideration of the House of Assembly's resolution:

That this House resolves to recommend to Her Excellency the Governor that, pursuant to section 16 (1) of the Aboriginal Lands Trust Act 1966, sections 160 and 166, hundred of Wanilla, be transferred to the Aboriginal Lands Trust.

(Continued from 10 September. Page 659.)

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): Yesterday the Hon. Mr Davis asked a number of questions in his contribution to the debate on this motion. I am certainly grateful for his support for the motion, but I undertook to get some responses to the questions he asked. I would like to indicate that the Port Lincoln Aboriginal Organisation has always recognised that acquisition of the Forest is aimed at Social Development of a Community group rather than a concentration on commercial benefit. The Hon. Mr Davis asked a number of questions relating to the five year plan developed by the Port Lincoln Aboriginal Association. I understand that its five year plan entails:

1. The Management Structure will comprise a Board of Management (5 elected community representatives) and an Advisory Committee (Community members, Local Government, Department of Environment and Planning, and Funding Agencies).

2. A Joint Management Proposal addressing Conservation and Land Management Issues.

3. Employment of a suitably qualified Forest Manager to take charge of the day to day management of the resource.

4. Forestry Operations will utilise existing timber for sales of hardwood posts, rails and firewood. seed collection, a nursery, planting for forestry and conservation, maintenance and use of plant and equipment, and plantation management (including adequate fire protection measures) will provide training and employment in this area.

5. Conservation will enhance the habitat for the endangered Yellow Tailed Black Cockatoo (preservation and creation of additional corridors of species attractive to the birds for food and nesting sites) and protect the remnant native vegetation (through effective pest plant control and enrichment plantings).

Areas of the Wanilla Forest will be developed as a community asset providing public recreation and education. The focus will be on its history (a long term experiment in forestry), attractive areas for passive recreation and enjoyment of native flora and fauna. Development will include picnic areas, signs, walking trails, brochures, car parking, toilets and kiosk.

Other commercial opportunities will be developed from the forest resource. They are expected to include Crafting of slab furniture, nursery sales, pergola kits and landscape supplies.

Use of the land on an interim basis has been granted to P.L.A.O. It currently has in place a board of management and a recently completed fire management plan. Members of the local Aboriginal community are already being employed at the forest. Nine are employed full time in fire wood collection and sales after a TAFE course. Two of these, and 10 other community members, have undertaken level 1 C.F.S. training in preparation for the coming fire season. Four people who have spent the last three years training with the NPWS will now be using those skills to develop the visitor facilities. I hope that response adequately deals with the questions that were raised by the Hon. Mr Davis yesterday.

Resolution agreed to.

CRIMINAL LAW CONSOLIDATION (SELF-DEFENCE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 10 September. Page 663.)

The Hon. K.T. GRIFFIN: When I was speaking on this Bill yesterday, I was outlining concerns which had been raised by Mr Wells, QC, and the Law Society in making a few general observations on the difficulties of drafting a piece of legislation which seeks accurately to reflect the rights of persons seeking to defend themselves or some other person or to defend their own property or someone else's property. I sought leave to conclude my remarks because I wanted further to consider other matters which had been put to me. I want to put several further matters on the record in relation to this matter, which might be helpful in putting the whole issue into an appropriate context, and I

should indicate at this stage that I am endeavouring to have some amendments drafted as a basis for further discussion and for consultation with the Law Society and Mr Wells and, I would hope, also the Attorney-General, between now and when the matter is next considered by the Legislative Council.

One of the matters that has been referred to me which takes further the tests that ought to be applied in determining whether or not defence is appropriate is a Privy Council decision in 1988 in the case of Beckford and the Queen. That is the most recent judicial authority on the principles that the courts apply in determining whether or not self defence has been established. That case was an appeal to the Privy Council from the Court of Appeal of Jamaica. The facts are not really relevant, but what is relevant is the principle that has been expressed in that case.

In summary, what the court decided was that the prosecution had to prove that the violence used by the defendant was unlawful, and that therefore if the defendant honestly believed the circumstances to be such as would, if true, justify his use of force to defend himself or another from attack, and the force used was no more than was reasonable to resist the attack, he was entitled to be acquitted of murder. Since the intent to act unlawfully would be negatived by his belief, however mistaken or unreasonable, the unreasonableness of the alleged belief was material in deciding whether the defendant had a genuine belief, and it was decided that in that case there was a misdirection by the judge of the jury as to self defence.

What that case does is to make the test a truly subjective test, neither objective in the sense of determining what is reasonable nor partially subjective and partially objective. Although it will take a little time, I think that it would be helpful to quote some extracts from the deliberations of the Privy Council on this issue. It traced the development of the concept of self defence and the progression through an objective test to a partially objective/partially subjective test to a subjective test. I quote as follows:

> It is because it is an essential element of all crimes of violence that the violence or the threat of violence should be unlawful that self defence, if raised as an issue in a criminal trial, must be disproved by the prosecution. If the prosecution fails to do so the accused is entitled to be acquitted because the prosecution will have failed to prove an essential element of the crime, namely, that the violence used by the accused was unlawful.
>
> If then a genuine belief, albeit without reasonable grounds, is a defence to rape because it negatives the necessary intention, so also must a genuine belief in facts which if true would justify self defence be a defence to a crime of personal violence because the belief negatived the intent to act unlawfully. Their Lordships therefore approve the following passage from the judgment of Lord Lane C.J. in *Reg. v Williams (Gladstone)*, 78 Cr.App.R. 276, 281, as correctly stating the law of self defence:
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> > The reasonableness or unreasonableness of the defendant's belief is material to the question of whether the belief was held by the defendant at all. If the belief was in fact held, its unreasonableness so far as guilt or innocence is concerned, is neither here nor there. It is irrelevant. Were it otherwise, the defendant would be convicted because he was negligent in failing to recognise that the victim was not consenting or that a crime was not being committed and so on. In other words the jury should be directed first of all that the prosecution have the burden or duty of proving the unlawfulness of the defendant's actions; secondly, if the defendant may have been labouring under a mistake as to the facts, he must be judged according to his mistaken view of the facts; thirdly, that is so whether the mistake was, on an objective view, a reasonable mistake or not.
> >
> > In a case of self defence, where self defence or the prevention of crime is concerned, if the jury came to the conclusion that the defendant believed, or may have believed, that he was being attacked or that a crime was being committed, and that force was necessary to protect himself or to prevent the crime, then the prosecution have not proved their case. If however the defendant's alleged belief was mistaken and if the mistake was an unreasonable one, that may be a powerful reason for coming to the conclusion that the belief was not honestly held and should be rejected. Even if the jury come to the conclusion that the mistake was an unreasonable one, if the defendant may genuinely have been labouring under it, he is entitled to rely upon it.

That is a substantial development of the law relating to self defence as I see it, although I must confess that I do not practise in the area, have never practised in the area and have no desire to practise in the area of the criminal law. Notwithstanding that, it seems to me to be a reasonable explanation of the principles relating to self defence. The Privy Council goes on to make some further observations and again I think it important that I relate these for the sake of completeness. It states:

> There may be a fear that the abandonment of the objective standard demanded by the existence of reasonable grounds for belief will result in the success of too many spurious claims of self defence. The English experience has not shown this to be the case. The Judicial Studies Board with the approval of the Lord Chief Justice has produced a model direction on self defence which is now widely used by judges when summing up to juries. The direction contains the following guidance:
>
> > Whether the plea is self defence or defence of another, if the defendant may have been labouring under a mistake as to the facts, he must be judged according to his mistaken belief of the facts: that is so whether the mistake was, on an objective view, a reasonable mistake or not.
>
> Their Lordships have heard no suggestion that this form of summing up has resulted in a disquieting number of acquittals. This is hardly surprising for no jury is going to accept a man's assertion that he believed that he was about to be attacked without testing it against all the surrounding circumstances. In assisting the jury to determine whether or not the accused had a genuine belief the judge will of course direct their attention to those features of the evidence that make such a belief more or less probable. Where there are no reasonable grounds to hold a belief it will surely only be in exceptional circumstances that a jury will conclude that such a belief was or might have been held.

That is the final matter of observation that I wish to quote in relation to this Bill. As I said earlier, I have been discussing some possible amendments that, hopefully, will more clearly relate the subjective test and remove many of the concerns that both the Law Society and Mr Wells have expressed about the Bill. Of course, that remains to be seen. There are two other matters to which I wish to refer. The first is in relation to proposed subsection (3) of section 15, which provides:

> For the purposes of this section—
>
> *(a)* a person will be taken to be acting in defence of himself, herself or another if he or she acts to prevent or terminate the unlawful imprisonment of himself, herself or another;
>
> and
>
> *(b)* a person who resists another whom he or she knows to be acting in pursuance of a lawful authority will not be taken to be acting in defence of himself, herself or another.

The point in relation to unlawful imprisonment that was made by a criminal lawyer who has given me the benefit of some advice on these matters is as follows:

> It seems unfair to an accused who genuinely believes that the imprisonment is false and either subjectively or particularly objectively has a reasonable basis for that belief but cannot apply the defence because of the restriction placed on it by subsection (1).

The point being made there is that it may be that the person genuinely believes that the imprisonment is unlawful, but in law it may not be unlawful. So, one must guard against the limitation of the rights of that person by making the express provision in this subsection that the defence may occur to terminate unlawful imprisonment. That suggests an objective test rather than the subjective test to which I have just referred.

I suppose that the same also applies in relation to paragraph *(b)*, the resisting of another acting in pursuance of a lawful authority, because it may be that the person resisting

has a genuine belief that the authority is not lawful. However, these are issues that will be addressed in any contemplated amendments.

The only other matter is one to which I referred yesterday, namely, that the select committee made reference to section 52 of the Dog Control Act, particularly in relation to the use of guard dogs. I should like the Attorney in reply to indicate what action, if any, the Government proposes to take to amend section 52 to protect a person who is using a guard dog on his or her premises for the purposes of personal protection or protection of those premises, if the dog attacks an intruder.

There is some suggestion in Supreme Court cases that perhaps the liability imposed by section 52 is not absolute but, as far as I can ascertain, that has not finally been determined. It seems to me more appropriate to address the issue by amendment to the Dog Control Act to take into account the circumstances to which I have just referred. I should like some clarification of the Government's position on that proposal.

I conclude by reiterating what I said at the commencement of my second reading speech; that is, that this issue is not easy to resolve. There are a variety of points of view as to what the law is and what it should be but, in the end, what the Liberal Party wishes to see from the debate is a clear and unambiguous expression of the law relating to self-defence, uncomplicated by some of the terminology that has been used in the Bill before us.

So, simplification is achievable and, hopefully, we will be able to reach in this Chamber the point at which there is an agreed position on the drafting to present that relatively uncomplicated, clear expression of the law in a way that assures ordinary South Australians that they can defend themselves and are not likely to be unreasonably hauled before the courts on charges of retaliation when, in fact, they were genuinely defending themselves, others, their property or the property of others. I support the second reading.

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

WORKER'S LIENS (REPEAL) BILL

Adjourned debate on second reading.
(Continued from 29 August. Page 593.)

The Hon. L.H. DAVIS: I want to reaffirm the Liberal Party's opposition to this Bill, which is being introduced into this Chamber for the second time within the past 12 months. The Opposition accepts that the Worker's Liens Act has its difficulties, particularly for liquidators and receivers, but the Government has failed to recognise that the Act is the only protection afforded to many small contractors and subcontractors.

As the shadow Minister of Housing and Construction, I have received letters from many specialist contractors who are anxious to preserve their rights under the Worker's Liens Act. It is particularly appropriate to recognise that, in these difficult economic times, small contractors are particularly vulnerable to the collapse of firms that owe them money.

There have been many heartbreaking stories involving firms in the building trades, where protection has not been afforded. I mention the particular case of Golden Grove, because the registered proprietor of the real estate at Golden Grove was, in fact, the Crown through the South Australian Urban Land Trust.

Because the trust is a Crown instrumentality, no worker's lien could be lodged on the title. This was particularly heartbreaking for many small operators involved in one of the subdivision developments in Golden Grove. The successful tenderer for the development of this subdivision in fact had been Liddell Construction Pty Ltd which subcontracted work out to earthmovers and other building contractors in preparing the site. Subsequently, Liddell Construction went into liquidation.

The land at Golden Grove, owned by the Urban Lands Trust, was immune from the operation of the Worker's Liens Act. In the ordinary course of business, subcontractors working for Liddell Construction were unaware of the particular difficulty that the Crown was immune from the operation of the Act, and they had no ability to use the Worker's Liens Act to lodge a lien and enforce it with respect to the debt owed them by Liddell. I accept that as a particular matter which affects the Crown, but I raise it in the debate because, in this case, it dramatically impacted on many subcontractors. In fact, my latest estimate is that approximate $250 000 was lost as a result of the fact that the Worker's Liens Act could not be used to protect subcontractors from the liquidation of Liddell Construction in that Golden Grove subdivision.

Turning to the more general matter of the operation of the Worker's Liens Act, the following companies have written to me expressing concern about the passage of this legislation: M.S. Thomas Electrical Pty Ltd, A.R. Leane & Sons Pty Ltd, Muller Electrical, 'A' Class Electrical Service, Interstate Electrical Service Pty Ltd, McSherry Civil and Asphalt, Richard Hansen Pty Ltd—Electrical Contractors, Johns Electrical Industries Pty Ltd, Flaherty's Maintenance & Electrical, Plastech Electrical Pty Ltd, Pridham Earthmovers Pty Ltd, Rondent Automation Services, Industrial and Commercial Electrical, North East Electrical Projects Pty Ltd, Robert R. Farnham Pty Ltd—Plumbers, Air Con Serve Pty Ltd—Specialised Airconditioning Control Service, Fire Fighting Enterprises (a member of the James Hardie Industries Group—an international company), BISCOA, L.R. & M. Constructions—Earthmoving Contractors, and BISCA.

Without wishing to detain the Council, I want to say that I attended last week the formation of the Building Industry Specialist Contractors Association of South Australian (BISCA) branch, and that organisation is particularly concerned about the introduction of the Workers Compensation Act. The assocation President, Mr Doug Laird, makes the point that specialist contractors employ approximately 85 per cent of all the labour on a construction site. It is the specialist contractors who are the true employers of labour in the industry, yet they appear to have the least say in how the industry operates. In his remarks made at the launch of BISCA, South Australia, Mr Laird said:

> There are many issues which currently confront our industry, and of particular importance is security of payments. We ask that you seriously consider our recently released submission on this subject. Self regulation in our industry can, we believe, only work with the assistance of Government setting some guidelines for all to work within. Many hours of work have been spent by this and other organisations in formulating submissions on the security for payments issue. Meanwhile, many companies and individuals have suffered losses due to the non-existence of a suitable system being in place. Time has come for a decision to be made for the good of all concerned. We believe that our submission will work without additional costs and red tape.

That organisation represents a large number of people. When we talk about BISCA, we refer to a body that represents electricity, airconditioning, fire protection, earth moving and many other contractors in the building industry. As the

association President said, it represents about 85 per cent of all labour on construction sites.

L.R. & M. Constructions Pty Ltd, a member of the Earthmoving Contractors Association of South Australia Incorporated, in a letter to me dated 30 August 1991, makes specific reference to the fact that during the past three and a half years it had used the Worker's Liens Act on four occasions, each time against developers for work done on subdivisions. On each occasion they were protected by the operation of the Worker's Liens Act. In the cases we were talking about, the value of work amounted to many thousands of dollars. Mr Chamberlain, Managing Director of L.R. & M., states in conclusion in his letter to me:

> We believe that the issue of security of payment has assumed fundamental importance for the contractors of South Australia and we urge your support for the retention of the Act so we at least have some protection until effective alternatives are developed.

That, I think, is the essence of the argument that has been put already to this Council by the Hon. Trevor Griffin. I support that measure. In these difficult times, the Government is quite reckless and indifferent to the plight of the contractors in seeking the repeal of the Worker's Liens Act. The Liberal Party is again showing its concern for small business, particularly in the building industry, by opposing the repeal of the Worker's Liens Act. I hope that the Australian Democrats will support the opposition to this Bill currently before the Council.

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

STRATA TITLES (RESOLUTION OF DISPUTES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 August. Page 148.)

The Hon. K.T. GRIFFIN: The Opposition indicates that it is prepared to support the second reading of this Bill although, when it reaches consideration in the Committee stage, undoubtedly there will be a number of amendments to it. The Bill seeks to restructure the review process of disputes between strata unit holders on the one hand and strata corporations on the other.

At the present time, under the Strata Titles Act the Supreme Court is the body that has the authority to resolve those disputes, partly because only the Supreme Court has the necessary power to make a wide range of orders, which may be required in the settlement of a dispute. Obviously, the concern that has been expressed to the Government and to members of the Liberal Party is that many people who have very minor disputes in domestic strata title units are intimidated by the prospect of having to go to the Supreme Court. Both its status and, of course, the prospect of costs being incurred are sufficient to intimidate people, and, as a result, many disputes are not resolved.

Certainly, in the domestic context, there are periodic disputes between unit holders, whether those disputes be over the keeping of pets, common property, the garden, what sort of trees, shrubs or flowers should be planted, who waters the garden, or even over matters of noise or maintenance work. One of the frustrations that many people who have experienced these disputes have is that there is no reasonably accessible body which can resolve the disputes.

At one stage a proposition was put forward that a public official, a Commissioner for Strata Titles, might be an appropriate person to resolve disputes. I have always regarded that as unsatisfactory, because I do not think that it is the role of a Government official to be involved in telling property owners what they should or should not do and how to resolve a dispute. The major difficulty in having a Commissioner for Strata Titles or some other public official is that that official would not be independent of Government, yet would be exercising a judicial power that ought to be exercised by the courts or by a quasi-judicial tribunal.

Other suggestions have been made. The Residential Tenancies Tribunal is favoured by a number of people and organisations because it deals with issues between landlords and tenants. The view that has been expressed by some people is that disputes involving residential strata titles are, essentially, disputes between landlords and tenants. I must say that I dispute that, because in no way can strata title unit holders be equated with landlords: they are the owners of the property. They have title to their unit, and they have an undivided share in the common property that might surround the strata title units.

Therefore, for that reason, I do not think the Residential Tenancies Tribunal is an appropriate forum. An additional reason is that many people express a lack of confidence in the operation of the Residential Tenancies Tribunal, and a number of constituents have raised this matter with me on a number of occasions, asserting that they do not receive justice in the tribunal. Essentially, they are owners of properties. There are landlords who have difficulty with tenants, but there are also some tenants who have asserted that they do not get justice from the tribunal. I think that sufficient concern has been expressed about the Residential Tenancies Tribunal to rule it out as an impartial body acting according to law in the resolution of disputes between property owners.

The Bill provides that the Small Claims Court should be the body to resolve these disputes, and I have very grave concerns about that, particularly because this Bill and the Strata Titles Act deal with domestic strata titles, the maisonette, two strata title development, through to the multistorey residential and commercial strata titles, and even to strata titled car parks in multi-level car parking facilities. Therefore, we are dealing not only with disputes at the lower end of the scale but also at the higher end, and the proposition to allow all those disputes to be dealt with by the Small Claims Court sends a shudder through many people, because of a number of problems that can be foreseen in that court undertaking those responsibilities.

Neither the District Court nor the Local Court (which includes the Small Claims Court) has had the powers that the Supreme Court has to grant injunctions, to compel specific performance and to make other orders requiring persons to take certain action. There are Bills before us which will not be considered for three or four weeks, which seek to give wider powers to both the District Court and the Local Court in a substantial restructuring of those courts. In the course of the debate on those Bills I will express views about the exercise of the wider powers in those courts.

Perhaps I can indicate what I perceive to be the structure of the Bill before us. As I say, it provides that the small claims jurisdiction of the Local Court will be the forum for dealing with all disputes involving strata titles. Lawyers may not represent parties in the Small Claims Court, although it is quite possible that, in a dispute involving a residential strata development, one of the strata title holders may have legal experience or other professional and business experience, matched against the lack of experience of other members of the strata corporation. On the other hand, it may be that the majority of the strata corporation members are professional people with either legal or other experience

pitted against a dissentient member who may have no such experience of courts and other proceedings. So, there is the potential for considerable inequality in the representation and submissions before the Small Claims Court in those circumstances.

By leave of the District Court a person may bring an application in the District Court where it is regarded as being of sufficient complexity. The Small Claims Court is not bound by the rules of evidence but may act according to the rules of natural justice and take such evidence as may be, in its view, relevant to determining any application. I presume also that such a provision applies equally to the District Court, if the matter should go to the District Court, and to the Supreme Court, where there should be an appeal pursuant to the power which is granted in the Bill. The court may make an order for a party to take such action as the court deems necessary to remedy any default or to resolve any dispute; it may order a party to refrain from action of a particular kind; it may order the alteration of the articles of the corporation; it may vary or reverse any decision of the corporation or of the management committee of the corporation; and it may give a judgment on any monetary claim and make orders as to costs.

One can see that these powers are very wide ranging and may take the judgment beyond the present monetary limit of $2 000 or, as proposed in other Bills before the Parliament at the moment, beyond $6 000, which is proposed to be the limit for the Small Claims Court in other matters. So, even if the dispute might involve a very substantial amount of money or very significant changes to the articles of the corporation, nevertheless, the matter can still be resolved in the Small Claims Court. There is not to be any right of appeal unless leave is granted by the court to which an appeal may be made and immediately that limits rights and tends to discount the accountability of the lower courts in making decisions. It is my very strong view that there ought to be a very full right of appeal and that leave ought not to be necessary to enable the matter to be taken further. I think that such a right of appeal is appropriate for all the claims which might be subject to determinations under this Bill.

The power of the Small Claims Court to order action to be taken by another party can have significant ramifications for the other party and the amendment to the articles which is of a permanent nature may have a very serious consequence for the strata title holders and could even change significantly the rights and benefits conferred by those articles. As I said earlier, it must be remembered that the Bill deals not only with the small home unit in a development, ranging from a pair of maisonettes to multi-storey home units and also to commercial strata titles in office premises or car parks, where the value of the property involved may well amount to millions of dollars.

I think there are a number of issues which do need to be addressed. The first is whether the Bill ought to provide for domestic-type disputes to be dealt with by the Small Claims Court or other court of appropriate jurisdiction, with the claims in relation to commercial strata corporations left with the Supreme Court. That is an issue that I would certainly want to pursue in the Committee stage of the consideration of the Bill.

I think also that the Bill does not really focus attention upon any obligation for the parties to any dispute to be required to sit down and talk about the dispute to see whether it can be resolved by mediation or conciliation. One of the things I would like to see included in any dispute resolution procedures in this Bill is a provision that the rules of court shall make provision for compulsory conferences at an early stage of the dispute. Such conferences can be under the supervision of the appropriate judicial officer and be directed towards trying to get a quick settlement before the dispute gets totally out of hand and is irresolvable other than by judicial determinations.

I am of the view that, regardless of whether or not there is a division of domestic strata title disputes from the commercial strata title disputes, the resolution of those disputes should not be limited only to the Small Claims Court. I think that, if it is possible to develop a scheme by which each level of the courts may have jurisdiction, with an opportunity for either party or the court to remove to some other jurisdiction, either by leave of the court in which the action is initiated or the other court to which the matter should be referred, then that would be an appropriate way to go.

That is easy to achieve where a monetary amount is in dispute. It is not so easy when no monetary sum is attached to the claim and it is an issue of whether or not a person can keep a pet or whether a particular colour ought to be used in painting the external parts of the premises. I think there needs to be more flexibility than is given in the Bill. In conjunction with that, as I have already said, an action should be capable of transfer by the court in which the action is initiated, as well as the court to which a party may wish to have the matter transferred. That should include not only the local court but also the District Court and the Supreme Court.

This Bill provides that the court is not to be bound by the rules of evidence. I have some difficulty with that, and I would prefer to see that, whilst those sorts of actions remain within the jurisdiction of the courts, the rules of evidence continue to be applied. I think it becomes very messy, as well as perhaps confusing, to have courts in one instance imposing and applying the rules of evidence and, in another, not applying those rules of evidence.

It may well be appropriate where there are quasi-judicial tribunals only to allow the courts to take into consideration all the evidence and to act according to equity, good conscience and substantial merits of the case and in accordance with natural justice. However, that is not necessarily so in the courts unless there is to be a general revision of the rules which must be applied in the courts in relation to all other issues in dispute.

We have to remember that, with disputes relating to strata titles, they are not just the sort of neighbourhood-type dispute between those owners whose units are next door to each other but also they may involve matters of considerable substance affecting the rights of all other strata title holders.

There ought to be a provision that no order of the court can be contrary to the articles of the strata corporation. I am concerned that jurisdiction is given to the small claims court that allows it to order the alteration of the articles of the corporation, because the articles are the rules which govern the relationship between strata title holders and which the holders of strata titles agree to either when the corporation is established, or when a person buys a strata title he or she knows what the articles of association provide. It does seem to be quite contrary to justice, and it also creates an injustice to other strata title holders if a court at the request of one party may be able to affect the rights of others.

This is equally so whether it is just a two strata title corporation or a strata corporation comprising many strata titles. Of course, the bigger the strata corporation the more significant will be any alteration that may be made. I must also point out that a dispute between two strata title holders

which may result in an order by the small claims court for an alteration to the articles of the corporation may be made without even giving the other strata holders an opportunity to be heard on any proposed alteration. There is a basic injustice in that, and a potential for concern to all strata unit owners. As I said earlier, I think also that there ought to be no limit to the right of appeal, particularly in view of the fact that this Bill applies from the smallest to the largest strata corporation.

A number of bodies have written to me in relation to this Bill. I have received representations from the Real Estate Institute and the Institute of Strata Administrators and, generally speaking, they support the proposition to move to a more accessible means of resolving disputes, particularly in the domestic context. They do make the point that they believe that a corporation ought to be able to be assisted or represented by its appointed administrator. That is relevant if the Bill continues to provide that the resolution of the dispute should occur only in the small claims jurisdication. But, as I said earlier, even that may result in unequal representation.

The Real Estate Institute makes the point that it is concerned about the absence of a mediation provision prior to getting to the court, and it does express concern about the capacity of the small claims court to handle matters expeditiously. The Land Brokers Society generally supports the proposition for a better and more accessible means of resolving disputes, but again it, too, expresses concern about the jurisdiction being conferred only on the small claims court.

Mr Charles Brebner, who has been fairly active in the Law Society Property Committee in the past, has also made some observations. They are his observations, not those of the Law Society, whose submission I am still waiting to receive. Again, he supports a simple and inexpensive method of adjudicating on the types of minor disputes that often arise in home units, and that is really the focus of his comments. They coincide with the views that I have expressed, that it may be all very well to put the very minor disputes into the small claims court but that is inappropriate when one looks at the major multi-storey residential strata developments, the strata titled car parks and strata titled commercial premises. In relation to the conferring of jurisdiction on the small claims court, he states:

> The Bill is remarkable in that it gives to a court which normally has a jurisdictional limit of $2 000, jurisdiction of an unlimited amount when dealing with matters relating to strata titles. It is also given jurisdiction to grant unjunctions both of a temporary and a permanent nature and to alter articles of association and reverse decisions, of corporations and managemnent committees. In most cases the parties are, of course, denied legal representation in proceedings before the small claims court. In view of this extensive jurisdiction given to the small claims court, in my opinion, the denial of legal representation is most unfair and unreasonable. Many home units are owned by elderly people who particularly feel the need for legal advice. I am mindful of a small claims matter I had recently when my client, on being informed that she could not have legal representation, declined to go on with the case and abandoned what seemed to be a perfectly legitimate claim.

That is a very important observation to note, because even though there is a small claims court many people have expressed to me their concern about having to appear unsupported and unrepresented in it in respect of either prosecuting or defending a claim.

We tend to forget that to people with no experience in the law even a small claims court can be intimidating, and that many people will forget their rightful and legitimate claims if they have to front up in a court which—

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: That is not necessarily so.

The Hon. C.J. Sumner: Absolutely—because they can't afford it.

The Hon. K.T. GRIFFIN: That is not so.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: I am not way off beam. It is a matter of providing appropriate forums for justice. If you want to put a multi-storey—developments—

The Hon. C.J. Sumner: I'm not arguing about that.

The Hon. K.T. GRIFFIN: But you are putting them all in the small claims court.

The Hon. C.J. Sumner interjecting:

The Hon. K.T. GRIFFIN: I am not sure about that. I take the Attorney's point that some people would be prevented from going to the small claims court by the fact that they would need to be legally represented, but equally there are many who are intimidated by the whole process and who are not prepared to front up without representation. I do not know the solution, other than some even less formal forum than the small claims court where some form of mediation is provided. One can debate that for a long time, but this is not the occasion on which to do that. I accept what the Attorney says, that some people will be intimidated and prevented from attending by virtue of the fact that they need to have legal representation, although others will have an alternative point of view.

A few other matters arise under the Bill. Three further provisions cause some concern. The first relates to the definition of 'special resolution' which is amended to change the present provision and which provides that the support of two-thirds of the total number of unit holders is required to support a special resolution. That is proposed to be changed to two-thirds of the unit holders who actually exercise a vote at a meeting.

A special resolution is generally required for serious matters, including structural alterations, and Mr Brebner makes the point—with which I agree—that, because there is power for strata title holders to appoint proxies who can attend and vote at meetings, it seems inappropriate now to consider a reduction in the protections for the whole of the strata corporation membership by seeking to reduce the vote that is required to pass a special resolution. I should have thought that in all the circumstances the existing definition should be retained.

The second matter relates to section 20 of the principal Act, which provides that the articles of a strata corporation are binding on the corporation, the unit holders and, insofar as they affect the use of units, the common property occupiers of units who are not unit holders. Subsection (3), which is sought to be repealed, provides that the court—and in this case it is the Supreme Court—may, on the application of a strata corporation or any other person bound by its articles, make an order enforcing the performance or restraining a breach of the articles, and make any incidental or ancillary orders.

Notwithstanding the dispute resolution processes in this Bill, it seems inappropriate to remove subsection (3); rather, it appears appropriate to retain it as yet another option for at least enforcing the performance of requirements of the strata corporation according to the articles, or restraining a breach.

The third matter relates to section 29 of the principal Act, which deals with structural work. It provides that a person may not carry out prescribed work in relation to a unit, and that prescribed work is defined as including erection, alteration, demolition or removal of a building or structure, or alteration of the external appearance of the building or structure, unless a certain procedure is followed. That includes a special resolution of the strata corporation.

If a person acts in contravention of section 29, the corporation may give notice to the unit holder requiring certain work to be done, and then there is a provision imposing a penalty if a notice is not complied with. Notwithstanding the dispute resolution procedures in the Bill, it seems to me that it is still appropriate to retain those provisions in section 29 because, after all, if the forms and articles of the association require a certain procedure to be followed in order for that prescribed work to be undertaken, and the prescribed work is not undertaken, then there ought to be some mechanism for compelling that work to be done and for penalties to be imposed, if that does not occur.

I sent this Bill to the Law Society and to several other bodies for comment. During the course of the Committee consideration of the Bill, there may be other matters I will want to raise as a result of responses to that correspondence—responses that I have not yet received—but, in order to facilitate the progress of the Bill, I put on record my comments at this stage and reserve our position in relation to what might finally occur during the Committee stage. I therefore indicate support for the second reading.

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

GEOGRAPHICAL NAMES BILL

Adjourned debate on second reading.
(Continued from 29 August. Page 604.)

The Hon. L.H. DAVIS: This Bill seeks to amend legislation that has not been altered since it was introduced in 1970 by the then Liberal Government. In reflecting on the importance of this legislation, it is perhaps worth noting what was said at the time the Bill was introduced some 22 years ago. The Hon. David Brookman, then Minister of Lands, in his second reading explanation stated:

> Its purpose is to establish a Geographical Names Board having authority to assign names to geographical features of South Australia. From the time of the first settlement in 1836 until 1916 nobody in South Australia was vested with authority to deal with the nomenclature of places and geographical features. Early explorers named geographical features encountered upon their journeys and, as trigonometrical and topographical surveys followed, these names were shown on published maps. However, no coordinating authority existed to examine nomenclature in order to avoid duplication and confusion in the assignation of names and places, and to record the sources and origins of place names.
>
> In 1916, followng a resolution of the House of Assembly 'that in the opinion of this House the time has now arrived when the names of all towns and districts in South Australia which indicate a foreign enemy origin should be altered and that such places should be designated by names of British origin or South Australian native origin', a nomenclature committee of three members was established and given statutory powers by the Nomenclature Act of 1917. This Act was repealed in 1935. The committee had not been vested with general powers over nomenclature, but only with power to deal with the names of towns and districts whose names were of enemy origin. However, the committee has continued to operate under departmental arrangement in an advisory capacity to the Minister of Lands, who is vested with certain powers over nomenclature under the Crown Lands Act.

That is an interesting background, because it shows that perhaps we take for granted the importance of place names. When we look at what happened to place names with a German origin during the world wars, we realise that some of our history and heritage was struck from the map with the stroke of a pen.

The Geographical Names Board was introduced in 1969-70 to overcome problems of real estate developers assigning estate names to small areas, creating a multiplicity of names that caused confusion in the mind of the public. It is interesting to see that the reason given in the second reading explanation in 1969 recurs in the second reading explanation of this Bill.

The Bill now before us follows a review of geographical place names which was undertaken by the Department of Lands and which identified some specific difficulties. As I mentioned, one was the use of estate names when advertising property development, sometimes in a misleading fashion, and holding out to prospective buyers that this was to be the name of the suburb when in fact there was no such intention or no authority for that estate to be the suburb which would ultimately appear with postcode as the official address of the new residents.

It also identified some inflexibility and time delays with the existing board. It highlighted the need to recognise that some places may well have dual names because of Aboriginal and European significance attaching to a particular area.

I am satisfied that the Department of Lands undertook this review process very thoroughly and sought responses from interested parties, including local government, property developers and community interest groups. The proposed legislation was then made available for their comment, and has been the basis for the Bill that is now before us.

The essence of the Bill is to repeal the Geographical Names Board and transfer to the Surveyor-General and the Minister of Lands the responsibilities which this board has had over the past two decades. I should indicate to the Council that the Opposition has reservations about the abolition of the Geographical Names Board.

The Hon. M.J. Elliott: Do you oppose it or have reservations?

The Hon. L.H. DAVIS: Reservations, and we will be placing on file amendments to preserve the board. At present the board examines applications for names of suburbs and, after looking at the facts, recommends to the Minister whether that application should be accepted or rejected. As I have mentioned, the Bill abolishes the board and, in future, such applications will be forwarded to the Surveyor-General. A conduit process has been put in place in the legislation so that, instead of a Geographical Names Board, we have a Geographical Names Advisory Committee which will advise the Minister on what is appropriate. The Minister will have the power to determine the geographical name. In other words, the power has been transferred to the Minister, and the Liberal Party has reservations about that.

With respect to providing both a European and an Aboriginal name for a place, the legislation provides for this process, which the second reading explanation notes as being unique in Australia. One particular difficulty which all Parties recognise is that some real estate developers have set out to advertise very attractive sounding names, perhaps holding them out as suburbs or prospective residential addresses, when in fact there is no status whatsoever attaching to that. The second reading explanation gives the example of a person who bought a property in an estate named Huntingdale and later discovered that the official suburb name was Hackham. He claimed that the situation had been misrepresented to him by the developer. There have been several examples of that.

Craigburn Estate is actually Flagstaff Hill. Thaxted Heights is actually Morphett Vale. The Bill provides that any developer advertising a new estate must display on any material, whether it is a billboard, pamphlet or advertisement, the geographical name along with the estate name. For instance, Homestead Award Winning Homes—one of the largest, if not the largest, builders of homes in metropolitan Adelaide—has advertised Birdhaven Estate, the geographical

name being Parafield Gardens, and Springvale Gardens, the geographical name being Blakeview. It has done that correctly, but there are other examples I have mentioned where this has not been done correctly.

I am sure that the Housing Industry Association, the urban development industry and the Real Estate Institute, together with the Minister of Lands and departmental officers, can devise acceptable advertising standards to ensure that there is compliance with this. Obviously, it is undesirable for prospective purchasers to be misled by advertisements into believing that their new residential address will have the status of a suburb, when it simply has no status whatever.

There have been examples of developers who have had the intiative to find an appropriate name for a new development which has historical importance. For instance, one can think of Alan Hickinbotham and Andrews Farm. Certainly, Mr Hickinbotham had some difficulty with that name, but the estate name has been accepted as its geographical name, and that is most appropriate because the Andrews family made a significant contribution to the Munno Para area and that district north of Adelaide from 1847 onwards.

Also, there have been examples of Government bodies such as the South Australian Urban Land Trust, a Government instrumentality which has failed to comply with the requirements of the Geographical Names Act. Without approval, it went ahead and called Hallett Cove 'Karrara' and as a result of that there has been understandable concern, anxiety and some difficulties over the past five years.

So, the legislation before us is not unimportant. Perhaps it is easy to dismiss it as just another piece of legislation, but a lot attaches to a name, and I think it is important that we approach this piece of legislation recognising that it is important that we have the proper research and respect for the selection of names for appropriate areas.

Obviously, many areas have been given names after people who founded them. In some cases there are Aboriginal names. It is also worth noting that Aboriginal names tend to relate to features, rather than to districts or regions. For example, Ayers Rock is known as Uluru, and Tandanya was the name for the Adelaide Plains but, as far as I am aware, the Aborigines had names not for small areas of land but, rather, for features of land. It is an intriguing subject which perhaps many people do not think about, and I found some interest in researching it.

I accept that, for a change, the Government has consulted thoroughly; I accept that there could be an argument that by abolishing a statutory authority and changing to a committee there may be some marginal saving of money, and it may well speed up the system. Obviously, I have no wish to reflect on the Surveyor-General who has increased powers under this legislation. As I have mentioned, the Liberal Party has reservations about vesting the power in the Minister, and that is the basis of our amendments. With those words I indicate that the Opposition is prepared to support the second reading but will also introduce a number of amendments which address the difficulties that we have with this legislation.

The Hon. M.J. ELLIOTT: The Democrats support the second reading. The Hon. Mr Davis has acknowledged some widespread consultation. Following the widespread consultation, process, no person has approached me to express concern about any part of the Bill. Perhaps I am a little surprised that there may be what appears to be a substantial amendment coming from the Opposition in the light of my having seen no opposition to any part of the Bill, nor having been lobbied in any way about it.

First, I would like to put a question on notice to the Minister in relation to clause 4: under what circumstances is it envisaged that the Governor may, by proclamation, need to exempt a place or a place of a type or kind from the provisions of this Act? I cannot envisage a circumstance where that would apply. Presumably the Government has envisaged such a circumstance for it to include that provision, so I ask the Minister at the conclusion of the second reading stage to enlighten us as to the purpose of that. I am always very wary of giving powers of proclamation which allow the overriding of a section of an Act unless there is an extremely good reason, because I have seen that power abused—not that I can imagine how exactly it would be used incorrectly here.

The use of both Aboriginal and other names in relation to places causes me no concern whatever. In fact, it is worth noting that, whilst it does not happen officially elsewhere in Australia, the designation of Uluru is now virtually the popular and accepted name for what we have until recent times called Ayers Rock. Might I say that it seems so much more appropriate, which is probably why it has been so popularly accepted. I do not see any great difficulties with the application of an Aboriginal as well as another name and I believe that, as a result of that, we will probably see some more examples of names such as Uluru; and that causes me no consternation whatever.

In relation to the abolition of the board, I find it interesting that the Liberal Party, which generally seems to be keen to get rid of statutory bodies, expresses some concern when the Government suggests the abolition of one. I find them somewhat inconsistent because there have been times in the past when they have supported the abolition of statutory bodies which many people desperately wanted. The Potato Board and a number of other bodies come to mind immediately, yet we have this body, which does not seem to have profound powers, and the Liberal members have some concerns about it. That has me a little mystified, and I cannot see any special reason for wanting to maintain the Geographical Names Board; nor has any particularly powerful argument been put up by the Opposition, unless they are saving that for the Committee stage. I await those arguments with much interest.

I am entertaining one modest amendment to clause 8 (7), which provides:

> The Minister must, in carrying out functions under this section, take into account the advice of the Surveyor-General.

It is my intention to move an amendment to add the words 'and the Geographical Names Committee'. Whilst the Surveyor-General is on the committee I would at least like to believe that not only will the Minister consult with the Surveyor-General but also that there is a requirement to consult with the committee. It is only a minor amendment, but I think that it should address any modest concern that the Liberal Party may have in relation to wanting some wider consultation. I think I hear the Minister saying that the Government will accept that, which is most encouraging. The Democrats do not have any substantial problems with the Bill. I have asked one question, to which I am seeking a response. We support the Bill.

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

ESTIMATES COMMITTEES

A message was received from the House of Assembly requesting that the Legislative Council give permission to

the Attorney-General (Hon. C.J. Sumner), the Minister of Tourism (Hon. Barbara Wiese) and the Minister for the Arts and Cultural Heritage (Hon. Anne Levy), members of the Legislative Council, to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill.

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): I move:

That the Attorney-General, the Minister of Tourism and the Minister for the Arts and Cultural Heritage have leave to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill, if they think fit.

Motion carried.

ADJOURNMENT

At 9.38 p.m. the Council adjourned until Thursday 12 September at 2.15 p.m.