LEGISLATIVE COUNCIL

Tuesday 22 October 1991

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

PAPERS TABLED

The following papers were laid on the table:

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

Reports, 1990-91—
- Government Adviser on Deregulation;
- Legal Services Commission;
- S.A. State Emergency Service;
- South Australian Metropolitan Fire Service

Evidence Act 1929—Report of the Attorney-General relating to Suppression Orders, 1990-91.

Marine Act, 1936—Regulations—Speed Exemption.

Rules of Court—Supreme Court—Supreme Court Act 1935—Pleadings and Appeals.

By the Minister of Tourism (Hon. Barbara Wiese)—

Department of Mines and Energy—Report, 1990-91.

Office of Energy Planning—Report, 1990-91.

Dried Fruits Board of South Australia—Report, year ended 28 February 1991.

By the Minister of Small Business (Hon. Barbara Wiese)—

Small Business Corporation of South Australia—Report, 1990-91.

By the Minister for the Arts and Cultural Heritage (Hon. Anne Levy)—

Reports, 1990-91—
- Art Gallery of South Australia;
- Department of Environment and Planning;
- South Australian Film Corporation;
- South Australian Institute of Languages;
- Department of Lands.

South Australian Institute of Languages—Report, September 1991.

Urban Land Trust Act 1981—Regulations—Northfield.

Metropolitan Taxi-Cab Act 1956—Applications to Lease.

By the Minister of State Services (Hon. Anne Levy)—

State Clothing Corporation—Report, 1990-91.

QUESTIONS

JOBSTART

The Hon. R.I. LUCAS: I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Employment and Further Education, a question about Jobstart.

Leave granted.

The Hon. R.I. LUCAS: I refer to the Jobstart employment program, which was initiated by the Federal Government about five or six years ago. The program helps employers hire staff through the CES by subsidising their starting wage. The subsidy is supposed to compensate the employer for on-the-job learning costs of the new employee so the employer can determine how well the new member of staff fits in. The rate of subsidy is set on a scale to take account of people who have been out of work for six months, 12 months, 24 months or longer.

Information has come to hand that Jobstart subsidies are being exploited by some employers to retrench existing employees, and then employ previously jobless people in order to capitalise on the generous subsidies available under the scheme. In one example brought to the Opposition's attention a freelance photographer who had been working for an Adelaide community newspaper for three months was suddenly told his services would no longer be required because the employer would be able to obtain a subsidy to employ an out-of-work person to do the photographer's job. The freelance photographer had been paid $750 a month by the community paper, out of which he had to buy his own film, developing chemicals and papers. However, he was able to sell any photographs to the public that were published in the newspaper.

Under Jobstart, the employer can obtain a subsidy of between $160 and $230 a week for a maximum of 26 weeks to employ someone aged 18 years or over. Under the subsidy arrangements there is the potential for an employer who, say, took on a 20 year old who had been unemployed for 12 months, to claim up to $800 a month in subsidy. In the particular case I have just outlined, that would be $800 a month to train someone to do a job that a fully qualified person was previously doing for $50 a month less! The tragedy of this particular case is that the retrenched photographer, who was a somewhat independent person, has hardly ever had to resort to claiming unemployment benefits since graduating from university three years ago. He was always able to find some work to tide himself over. Now, because of the preference given to Jobstart, he has decided to sign up with the Commonwealth Employment Service so that he, too, can obtain a Jobstart allowance.

The irony of this revolving door mentality in obtaining jobs is that the true enormity of unemployment in Australia and South Australia might be grossly underestimated. My questions to the Minister are:

1. Is he concerned that people of initiative, such as this freelance photographer, are being penalised because of Jobstart?

2. Is he concerned that there is the potential for an employer to obtain a greater amount from a subsidy than the pay given to ordinary staff employed by a company?

3. What safeguards are in place to ensure that an employer cannot use Jobstart as a means of obtaining a continual supply of new staff at 10-week or 26-week intervals after each recipient's subsidy finishes?

4. Will the Minister have discussions with his Federal counterpart to see whether measures can be put in place to ensure that such rorts do not occur?

The Hon. ANNE LEVY: I will refer those questions to my colleague in another place and bring back a reply. In the meantime, I suggest that the honourable member might find it profitable to take up what appears to be a blatant exploitation of the system with the Employers Federation of South Australia to see what its reaction is.

VICTIMS' RIGHTS

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Attorney-General a question about victims' rights.

Leave granted.

The Hon. K.T. GRIFFIN: Yesterday a report appeared that the person accused of the murder of Allison Nitschke had appeared before a magistrate to have his bail conditions varied to allow him to leave his home and to travel interstate. The history of this is briefly as follows:

1. The accused was arrested on Saturday 21 September and charged with murder.

2. The accused was refused bail by the police, and his lawyer sought a review of bail by a magistrate over the telephone.

3. Bail was granted by the magistrate over the telephone upon some conditions. On 25 September I sought from the Attorney-General, but have not yet received, a transcript of the telephone conversations involving the magistrate when bail was reviewed. Concern was expressed then by the family and friends of Allison Nitschke that this was not a public hearing and that the family had not been informed of the hearing and given any opportunity to have their views on bail taken into account.

4. The accused was remanded to 4 November, but that hearing was brought forward to last Friday 18 October, when the bail conditions were varied. The family of Miss Nitschke were not informed of the changed date and first heard about it on the ABC radio on Friday.

5. I understand the police knew about the hearing on Friday 18 October and did not oppose the variation in bail conditions.

Mr and Mrs Nitschke, the father and mother of Allison, are upset and have expressed their concern and anger not only at the release on bail of the accused but also that they were not informed about the bail applications on each occasion or the bail decisions or consulted about those conditions. They feel that their situation has been ignored in the whole process and have written to the Attorney-General and the Premier—I understand that letter is on its way—expressing deeply held views.

Since 1985 the Government has been promoting the Statement of Victims' Rights as a great step forward in supporting victims—they are, and I support them—but the experience so far of the Nitschke family in relation to bail and conditions does not seem to reflect a recognition of those rights. My questions to the Attorney-General are:

1. Why has there been so little information to the Nitschke family about the bail hearings and decisions taken, and why has there been no consultation with them about bail and conditions?

2. What action will be taken to ensure this does not happen again?

3. When will a transcript of the telephone bail review be made available?

The Hon. C.J. SUMNER: It is true that I have received a letter from Mr and Mrs Nitschke about this matter. They have asked to see me about it and I will see them to discuss their concerns. All I can say is that they should have been notified of the hearings relating to bail and given an opportunity to comment on the bail conditions, although the Bail Act confines victims' rights in this area to whether or not the victims feel the need for protection.

Nevertheless, I would expect that the police prosecutors should have kept Mr and Mrs Nitschke informed of what was happening. I did see a press report which quoted the police as saying they were not aware that the case was to be brought forward.

The Hon. K.T. Griffin interjecting:

The Hon. C.J. SUMNER: The Hon. Mr Griffin interjects that he is not sure that that is right. I am going from the press report on that matter. So, in general, the victims do have a right; they should be informed about cases coming up that affect them, and in this case they should have been informed of the hearing dates and consulted about bail conditions. Victims' views on these matters, of course, are not definitive; it is not automatic that victims' views would be taken into account by the police or by the court, but I think it is fair to say that they should have been advised, and given the opportunity to comment and, in particular, they should have been given the opportunity to put any perceived need for protection while a person is released on bail. I will have the matter inquired into to determine exactly what the circumstances were that surrounded these various submissions, as it is clear that there is some dispute at least in relation to some of the facts placed in the public arena.

The question of bail, of course, applies only until the charged person is brought to the court for trial and, if found guilty, he would then be subject to a sentence from the court. So, the principle relating to bail is that a person is innocent until proven guilty and, once proven guilty, the question of an appropriate sentence would be for the court to determine after hearing submissions from the defendant's counsel and from the prosecution counsel. Nevertheless, on the question of victims' rights, I understand the concerns expressed by the family in this case. I will have them examined and I will discuss them with Mr and Mrs Nitschke as they have requested. I have a copy of the transcript of the telephone application for bail and I understand that my office is in the process of forwarding that to the honourable member.

AUSTRALIAN NATIONAL STAFFING

The Hon. DIANA LAIDLAW: I seek leave to make an explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Transport, a question about Australian National workforce reductions.

Leave granted.

The Hon. DIANA LAIDLAW: In 1988 AN announced that it would seek to reduce the number of people employed at Port Augusta to about 1 312, representing a reduction of about 400 employees from that date until the middle of 1992. These reductions are part of AN's goal to shed between 1 000 and 1 500 jobs on the mainland and a further 300 in Tasmania. However, few workers in Port Augusta have taken up the voluntary redundancy packages offered by AN, comprising two weeks payment for every year of service, with a cap on the maximum number of years of service. They know this offer is far inferior to packages currently on offer to workers in the aviation and waterside industries.

The Hon. M.J. Elliott: And the State Bank.

The Hon. DIANA LAIDLAW: And the State Bank; that is a fair interjection. Also, they are well aware of the agreement reached in 1975 between the Federal and South Australian Governments, which agreement provides that, in the event of any compulsory redundancies in AN, all former SA Rail employees will be paid severance on the basis of four weeks for every year of service, with no limit on the number of years of service. Former SAR workers are holding out for this package, rather than accepting the less generous terms of the voluntary redundancy packages, knowing that sooner or later AN will be forced to shed staff. That is the case at present.

For good reasons, the different treatment of AN workers—former SAR workers, compared with those who have been employed by AN since the establishment of the Rail Transfer Agreement—is causing great unrest. Also, on behalf of workers, the ACTU is angry about the way in which AN is selectively approaching workers for involuntary redundancy. I note that in a recent letter to the Federal Minister for Land Transport the President of the ACTU, Mr Martin Ferguson, stated:

> We wish to make it clear to you that:
>
> *(a)* The reversal of the AN 'no compulsory redundancies' policy without any discussions with unions and after guarantees of consultation can only cause us to question your *bona fides* in this exercise;
>
> *(b)* The targeting of employees without superannuation, and over the age of 55 years, presumably to make the

exercise cheaper, can only be viewed as a cynical disregard for the financial position of these people; and

(c) AN cannot rely on the agreement by the unions to a specific voluntary redundancy package aimed at specific individuals and which took into account factors such as age, superannuation entitlements and housing, as providing general endorsement of the conditions of that package as suitable for compulsory redundancies under quite different circumstances.

The Hon. G. Weatherill interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: I have a number of questions to ask the Minister.

The Hon. G. Weatherill interjecting:

The Hon. DIANA LAIDLAW: I remind the honourable member that at that time the Liberal Party did not support the transfer agreement. It was an initiative of the former Dunstan Government, and promoted by former Prime Minister Mr Whitlam. My questions to the Minister are:

1. Has he appealed to the Federal Government and received an assurance from it to ensure that AN does not discriminate between members of its work force in developing the terms of redundancy packages?

2. Has he pressed the Federal Government to clarify the terms of the forced redundancy packages, recognising that further delay by the Federal Government will reinforce the current unrest and uncertainty among AN workers at Port Augusta and elsewhere, and that this delay is making it almost impossible for AN to manage its operations?

3. Recognising that the State Government has been aware for some three years that AN has proposed to cut jobs at Port Augusta, what, if any, long-term employment generating strategy has this Government prepared for the area?

The Hon. R.R. Roberts interjecting:

The Hon. DIANA LAIDLAW: I would suggest that such an exercise would be far more constructive in helping the people in Port Augusta to find and maintain employment, as compared with the Premier's recent call for a national summit on unemployment.

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

BAROSSA VALLEY HEAVY ROAD TRAFFIC

The Hon. I. GILFILLAN: I seek leave to make an explanation before asking the Minister for Local Government Relations, representing the Minister of Transport, a question about proposed increases in heavy road traffic in the Barossa Valley area.

Leave granted.

The Hon. I. GILFILLAN: The Minister for Local Government Relations may well be particularly interested in this question, and I look forward to her contributing to the reply if she sees fit. One cannot help but observe that the 1 500 threatened job losses through AN—by independent authoritative opinion—virtually spells the end of all branch lines and of some services on the main lines in South Australia. It is important that honourable members in this place and the people in South Australia as a whole realise that this does not relate just to the loss of the jobs.

If this must go ahead, and I am not convinced that it will, it will be the death knell of the branch line services. I am advised that there is no way that AN could keep these branch lines and services going if this number of jobs go—and as far as I understand it, they will. I think it is a tragedy for South Australia that we have this inflicted on us, but I acknowledge the contribution of the Hon. Diana Laidlaw in putting the heat and pressure on the Governments—both State and Federal—that are allowing this to happen.

A rail line that runs between Gawler and Angaston—it is one of our rural lines—for about 30 kilometres is used by AN to carry quarry stone from the local Barossa quarry to the ICI plant at Osmond near Port Adelaide. At present, AN operates one train a day on the line carrying around 4 000 tonnes of stone each day. Previously, AN also used the line to ferry train loads of cement to Roxby Downs, but that contract was lost to a road transport company, although according to Australian Railway Union officials AN was moving the cement at highly competitive rates but was subsequently undercut by the road transport firm which is believed to have planned to make a loss on the deal for up to two years to ensure it secures a long term contract.

However, the Barossa District Council has been told the rail line may be closed in the next 12 months because the stone quarry contract is to be given to another road transport company and AN will not be able to maintain the line without the contract. Currently, AN employs staff at Nuriootpa and Angaston, where there are two station assistants and one station master. The rail union has been told that at least one of its workers will be relocated and the others face redundancy as part of AN plans to restructure its workforce by cutting staff numbers by 1 500 in the next two years, a matter to which I referred at the beginning of my explanation. I am told by rail workers who service the quarry train from the Barossa that, if AN loses the contract, up to 30 semitrailers a day will be needed to carry the stone by road.

That is approximately 150 semitrailers a week travelling along the narrow country roads of the Barossa, directly through the main streets of many of the small townships that dot the region. Fully laden, semitrailers cause around 10 000 times more damage to roads than do cars, so an increase on country roads of 150 semis a week will cause extreme damage.

The Hon. C.J. Sumner: Do you know this is going to happen?

The Hon. I. GILFILLAN: Unfortunately, I have been unerringly accurate in forecasting what AN is chopping out of its services. In any case, without doubt—

The Hon. C.J. Sumner: Do you have information that AN will close the line?

The PRESIDENT: Order!

The Hon. I. GILFILLAN: What is the point of asking questions of the Government if we come in here with signed, sealed and delivered information? My information is significant enough that it is important for me to ask this question on behalf of the people of South Australia, and it ill behoves the Attorney, with his petty line of questioning, to impugn—

Members interjecting:

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

The Hon. I. GILFILLAN: —the sincerity of the member asking the question. He would be much better engaged in finding out in what way he can keep AN running these services in South Australia, instead of pompously sitting back in his seat shafting interjections, which are out of order.

The Barossa District Council will be responsible for paying road maintenance in its area and, if the experiences of many of our Mid-North councils is anything to go by, then the Barossa District Council can expect an increase in road maintenance costs of several million dollars, with ongoing costs which would be hundreds of thousands and possibly

a million dollars each year in maintenance. My questions to the Minister are:

1. Will the Minister of Transport and, if she is willing, the Minister for Local Government Relations, call a conference as a matter of urgency with Australian National, ICI and the affected councils of Light, Tanunda, Angaston, Barossa and Gawler to discuss the impact this change would have on the road system?

2. If this is thrown on to the councils, by denying AN the contract, and transferring the work to semitrailers, by what means does the Minister of Transport believe councils will be able to fund the large, ongoing cost of road maintenance?

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

GRAND PRIX CLASSIC CAR AUCTION

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about the Australian Grand Prix classic car auction.

Leave granted.

The Hon. L.H. DAVIS: Each year a Grand Prix classic car auction has been held in association with the Australian Grand Prix. This is a formal event endorsed by the Australian Grand Prix Committee. I also understand that similar car auctions are conducted with formula 1 Grand Prix around the world. In Adelaide on each occasion the classic car auction has been conducted by Kearns Motor Auctions. This year they are 100 vehicles to be auctioned. It is a very fine catalogue of cars. However, Kearns Auctions runs the risk of being fined because the Department of Consumer Affairs—the Minister's department—has categorically refused to exempt Kearns from the requirement of the Second-hand Motor Vehicles Act and, in particular, the requirement to list engine numbers or registration numbers at the time of the auction. Four of the cars were classic racing cars, and the auctioneers simply cannot comply with the requirements of the Act because the details do not exist. These cars are a 1974 Birrana racing car, a 1968 Elfin formual 2 racing car, a 1963 Ellin Catalina specially constructed for Dunlop Australia for adhesion testing on Lake Eyre during the Donald Campbell land speed record attempt, and a 1957-58 Lotus racing car driven by Graham Hill at Monaco.

These cars simply cannot comply with the requirements of the Act because the details do not exist. Traditional historic racing cars simply do not have formal means of identification. They are custom-built—they do not have engine numbers or chassis numbers—and they are not registered. These wonderful historic cars will not be seen whistling past the Minister's white limousine on North Terrace. They are collectors' items. It appears that Sir Humphrey has donned a crash helmet. Can the Minister act immediately to ensure that these four classic racing cars are not brought to a halt by red tape and the Australian Grand Prix class car auction being held on Friday 1 November?

The Hon. BARBARA WIESE: This matter has not been brought to my attention as a problem. Therefore, I will have to seek a report from the Commissioner of Consumer Affairs as to any difficulties that may have been experienced with appropriate approvals for that auction. I would be very surprised if there is a problem that is not capable of solution, as auctions of this sort have taken place before and presumably arrangements have been made in past years. However, if there is a difficulty I will certainly seek information about it. I hope that the matter can be resolved, if it has not already been resolved, in time for the auction to occur.

LOCAL GOVERNMENT ADVISORY COMMISSION

The Hon. J.C. IRWIN: Has the Minister for Local Government Relations received any advice from the Local Government Advisory Commission regarding the progress of the Woodville, Port Adelaide and Hindmarsh amalgamation proposal? How soon can the Minister indicate the date of the council elections in the council areas that were postponed from early this year?

The Hon. ANNE LEVY: I have not had for some time any information from the Local Government Advisory Commission on the progress of that amalgamation proposal. I know that at one period the Advisory Commission was waiting for information from three councils before being able to proceed any further. As I understand it, the commission now has that information so that the previous temporary hold-up, has now been overcome. I presume that matters are proceeding.

The elections were held up for a maximum of 12 months to allow the amalgamation process to be considered. However, I have always made very clear that it is a delay of up to 12 months so that elections must be held by early May next year if the matter of the amalgamation is not resolved sooner than that. In addition, of course, one of the council areas recently held by-elections because of resignations from the council. Those by-elections were conducted quite appropriately, so there is no question of the delay in periodic elections resulting in council numbers being lower than they should be.

RIVERLAND COOPERATIVES

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier and Treasurer, a question about receivership of Riverland cooperatives.

Leave granted.

The Hon. M.J. ELLIOTT: I had an unusual experience yesterday. I was at the Berri Cooperative in the Riverland when the receivers arrived. Apparently the State Bank was owed some $3 million to $4 million by Berrico and had placed it in receivership. As I understand it, six cooperatives in the Riverland have the State Bank as their banker and five have significant debts with the State Bank at this stage. I also understand that the State Bank has been trying to encourage rationalisations and mergers of cooperatives in an attempt to achieve both the use of production facilities and also of management. It has been suggested by people to whom I have spoken in the Riverland that the bank has picked out Berrico as the example to frighten the others into getting off their backsides and getting on with merger negotiations. I am not in a position to comment on whether that is a good thing or a bad thing, but that appears to be the position.

In cooperation with five other cooperatives, Berrico owns 58 per cent of Berri Vale, which, in turn, owns Berri Fruit Juices and 18 per cent of that 58 per cent, which is worth, in total, 11 per cent of the overall capital of Berri Vale and is attributable to Berrico. One implication of this is that, in combination with the shares currently held by SGIC and AIDC, for the first time there is a possibility that control

of Berri Fruit Juices could also leave the control of the Riverland. Berri Fruit Juices produces over 30 per cent of fruit juice in Australia under its own label, and that is close to 50 per cent, all up, of fruit juice produced in Australia. As yet we do not know what path things will follow, but the implications are serious.

If control of some cooperatives, and particularly BFJ, were to leave the area, we might ultimately be left in a position similar to that which recently occurred with the Loxton winery, which was bought out by Penfold and lasted two years before it was shut down. Corporate raiders sometimes hunt a label name, actually wanting the company itself and may, in fact, move the production facilities elsewhere. Those sorts of possibilities exist.

At this stage the Government's position is unclear. The question is whether or not it will take the hands-off attitude that it has taken for some years in relation to the State Bank. There is clearly a flow-on that will affect the bank. It is a major creditor of the fruitgrowers and small business and, if there is some sort of domino effect, the biggest domino will be the State Bank. Of course, in that situation the State itself, which has been underwriting all State Bank debt, will be affected directly and indirectly as there could be huge demands on welfare services should those dominoes begin to fall.

In the short term there is also some concern among growers. Will Berrico continue with business as usual? That appears to be the indication, but it is only six weeks away from the dried fruit season and if there is anything they do not need it is uncertainty. I have three questions, as follows:

1. Does the Government have a view on the desirable outcome of these moves for receivership and possible mergers of the various cooperatives and whether or not they should ultimately remain in local control?

2. Will the Government become directly involved in the negotiations which are now taking place either as a facilitator or at least as an interested party?

3. Will the Government at least intervene in the short term to try to ensure that Berrico will continue with the business as usual policy during the forthcoming harvest?

The Hon. C.J. SUMNER: I will refer those questions to the appropriate Minister and bring back a reply.

ESTCOURT HOUSE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister of Tourism a question about the Estcourt House development.

Leave granted.

The Hon. J.F. STEFANI: In March this year, in answer to my questions regarding the Estcourt House development, the Minister advised Parliament that the Government was considering its options because none of the tenders received by her department in May 1990 conformed to the conditions of the tender set for this $26 million project. During the Estimates Committee in September, the Minister further advised that she was hopeful that a satisfactory proposal was forthcoming from a developer who had expressed interest in the project. My questions are:

1. Has a firm offer been received by the Government from a developer?

2. Has the Government changed the criteria for the project in any way or reduced its tourism component?

3. Are the figures contained in the executive summary of the study prepared by Tourism SA still applicable in terms of the market share and the financial projections for this development?

The Hon. BARBARA WIESE: The discussions to which I referred during the Estimates Committee are ongoing. There is little that I can say at this stage, except that the company which expressed interest in the property has maintained interest and there are various matters under discussion which I hope will lead to a formal application or proposal being put to the Government concerning the Estcourt House property. I imagine that any new information that has come forward as part of the re-evaluation of the proposed development for that site will be among the issues that will form the basis of discussions with that company which has expressed interest.

BLOOD LEAD LEVELS

The Hon. R.R. ROBERTS: I wish to make a brief explanation before asking the Minister of Tourism, representing the Ministers of Health and of State Development, a question about the transfer between Port Pirie and Broken Hill of information relating to blood lead levels.

Leave granted.

The Hon. R.R. ROBERTS: The City of Broken Hill has recently discovered, through a series of surveys and testing, that many children in that city have blood lead levels above the level of concern. All honourable members would be aware that Port Pirie experienced a similar problem some years ago and that, with the cooperation of the community at Port Pirie and the South Australian Government, a series of studies and programs were implemented which led to a dramatic reduction in blood lead levels, enormous improvements in lead levels in the environment and the urban renewal of the city of Port Pirie. During that time the Environmental Health Office in Port Pirie has accumulated a wealth of information in community health care and containment, to the extent that they are in many respects leaders in this area in the world.

Whilst the cities of Port Pirie and Broken Hill are hundreds of kilometres apart and in different States of the Commonwealth, historically they have shared a common culture and industry, and in many ways they are dependent upon each other, although Port Pirie is more dependent on Broken Hill than *vice versa*. What does exist, however, is two halves of the one industry represented by two cities—one city, Port Pirie, is information wealthy when it comes to blood lead levels and another city, Broken Hill, is in need of this expertise and knowledge.

My question to the Minister of Tourism, representing the Ministers of Health and of State Development, is whether the Ministers will allow an exchange of information and personnel between the two cities to assist the people of Broken Hill to overcome their community's problems as quickly and economically as possible and thus assist to cement the existing friendship and extend the spirit of cooperation that exists between the two cities.

The Hon. BARBARA WIESE: I shall be happy to refer the honourable member's question to my colleagues, the Ministers of Health and of Industry, Trade and Technology, so that they can examine the merit of the proposal that he puts forward, and I will bring back a reply.

LYELL McEWIN HEALTH SERVICE

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 Lyell McEwin Health Service.

Leave granted.

The Hon. BERNICE PFITZNER: A joint study was done by the Health Commission and northern metropolitan health providers in order to help the Lyell McEwin Health Service to grow with the area that it serves. According to a Government spokesman, the Government has allocated $40 million to the Lyell McEwin Hospital over a period of seven years, which sum included money for the stage 3 redevelopment, expected to start later this year.

At present, the Lyell McEwin Health Service has closed 15 beds. The hospital's statistics show that 1 100 people are on the hospital's elective surgery waiting list; there is a 12-month waiting list for ear, nose and throat surgery; and urgent surgery is performed within a week. This area is another Labor stronghold, as are the western suburbs, where the Queen Elizabeth hospital is also under pressure. My questions are:

1. Why has stage 3 been delayed when money has already been allocated, as stated by the Government spokesman?

2. The hospitals's CEO does not think that stage 3 will be done this financial year. If not, when will stage 3 commence?

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

MOUNT DARE TELEPHONE COMMUNICATIONS

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister representing the Minister for Environment and Planning a question about telephone communications at Mount Dare station.

Leave granted.

The Hon. PETER DUNN: While visiting Mount Dare station, or Witjira national park, which it now is, I was dismayed to observe that there was no telephone at the property. There is a radio telephone which communicates with the Alice Springs Flying Doctor but, as people know, that is scheduled two or three times a day and those are the only times one can have a private conversation. In fact, they are not private conversations, because everybody in the North who has a radio can listen in. The only times one can have those communications are usually 9 o'clock in the morning and 4 o'clock in the afternoon.

I can only estimate, but up to 100 people a day travel through the area during the school holidays, and that was when I was there. Victoria, New South Wales, the Northern Territory and Queensland were having their school holidays, and quite a number of people were travelling through. When I arrived, I was greeted by a group of people who asked whether I had brought parts for their vehicles. They thought that I was bringing them in from Oodnadatta. I knew nothing of it, but it clearly demonstrates the difficulty that the lack of communications causes. Because I had to leave a couple of hours later, I do not know whether or not those people got their parts or whether they are still there. This is a hot, sparse country, and it is becoming very popular with the new roads which are open to the north and to the east, particularly across the Simpson desert to Birdsville and to the very lovely area of Mound Springs and the old Dalhousie homestead.

In fact, if something happens in that area, there are 100 odd miles to travel to Oodnadatta or to one of the stations in that area that has a phone connected, before much contact can be obtained. I have contacted Telecom Australia, which informs me it costs approximately $1 200 to $1 400 to have the phone installed. There was some confusion whether a penalty would now have to be paid, because National Parks could not make up its mind when everybody else had the phone connected whether it should put the phone on there. The neighbours have this DRCS system (Digital Radio Concentrated System), which works very well and on which one can run faxes or any other communication equipment.

Two or three years ago, when everyone else had their phone connected, National Parks could not make up its mind whether it wanted that phone, so now we have a situation where many people are travelling through that area and they do not have any communication. My questions are:

1. Is it true that National Parks will now have to pay an extra levy to have the DRCS phone installed at Mount Dare?

2. Will the Minister arrange for a public and private telephone to be installed at Mount Dare as soon as possible for the safety factors alone, now that summer is fast approaching?

The Hon. ANNE LEVY: I will refer those questions to my colleague in another place and bring back a reply, although I point out that, with summer approaching, the number of visitors in that part of the country tends to decrease, rather than the reverse.

REGIONAL ECONOMIC DEVELOPMENT

The Hon. J.C. BURDETT: I understand that the Minister of Tourism has a reply to the question I asked on 15 August relating to regional economic development.

The Hon. BARBARA WIESE: The Minister of Industry, Trade and Technology has provided the following in response to the honourable member's questions: While welcoming the submission from SARDA, my colleague has pointed out that the statistics included in the submission are either incorrect or misleading. The honourable member may be interested to know, for example, that direct Department of Industry, Trade and Technology (DITT) funding in support of Regional Development Committees totalled some $680 000 in 1990-91 and not the approximately $200 000 mentioned by SARDA.

Approvals for regional projects from the South Australian Development Fund totalled 62 per cent of all approvals in 1990-91 and have averaged 42 per cent since the establishment of the fund (1 July 1988 to 30 June 1991). Furthermore, the Department of Industry, Trade and Technology has 98 staff working on State Development with 2.5 officers specifically assigned to work directly with Regional Development Committees. There is no justification for the assertion that Government policy on development has been focused on Adelaide at the expense of regional South Australia.

The Department of Industry, Trade and Technology in a position paper forwarded to the Minister of Industry, Trade and Technology in February 1991 reviewed the progress and implementation of current Government regional business development policy and suggested some modification was required to improve the effectiveness of regional economic committees. This position paper has been held in abeyance pending consideration of SARDA's submission.

Subsequent to the lodgment of the SARDA submission, a number of meetings have been held between Mr John Frogley of the Department of Industry, Trade and Technology and the SARDA executive working group. It is my understanding that these discussions are progressing well, and should shortly lead to a common agreed position to be

put to the Minister of Industry, Trade and Technology as to how both local and State Government may most effectively support and promote business development in regional South Australia.

MOUNT LOFTY DEVELOPMENT

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

Leave granted.

The Hon. DIANA LAIDLAW: In August 1989, following a decision to reject a proposed $55 million development involving an 85 room hotel and cable car, the Government agreed to be a joint venturer in a scaled down $15 million restaurant and bistro complex, with the hotel included in a future stage. The decision was made over two years ago and, as the Minister would be aware, it is now nearly eight years since the Mount Lofty area was burnt out by the Ash Wednesday bushfire.

Members of the Mount Lofty Tourist Association are growing impatient. They have decided that, if nobody else cares about the site, then they will act, and they have done so, recently gaining a conditional approval to build a kiosk at the site. While the proposed structure is meant to be only temporary, the association is in the throes of seeking funds for the project to proceed as a 'good development'. I am not too sure what is meant by a 'good development' but it does suggest that some considerable funds are being sought for a substantial development, which would possibly be incorporated into some project. The Mount Lofty site is one of the State's principal tourist attractions. Therefore:

1. Does the Minister support the initiative by the Mount Lofty Tourist Association to build a kiosk at the Mount Lofty summit?

2. Is she aware, and if not will she ascertain, for what length of time the Mount Lofty Development Company has exclusive development rights at the site—five, 10, 50 years or forever—for, assuming that the company can continue to meet the holding costs, it is conceivable that the company is under no legal pressure to develop the site and that the site may remain in its current deplorable state (as a car park) for a long time to come?

The Hon. BARBARA WIESE: The proposal by the Mount Lofty Tourist Association has not been drawn to my attention, so I am not able to comment on its merits, but I will certainly now make some inquiries about that proposal. As to the Mount Lofty development proposal which was put forward some time ago and with which the Government has been involved, I should point out that the Government's contribution to the joint venture is in the provision of the land at the site so that, in fact, the Government owns the land on which the proposed development is to be built, but it is the responsibility of the proponents to seek funding to make that development happen. Of course, the various Government agencies that are in a position to do so have also shown a willingness to introduce potential investors as and when that has been possible.

This development is under the ministerial control of the Minister for Environment and Planning, who is the Minister responsible for the land concerned but, because there has been a strong tourism component in the development itself, my colleague has kept in touch with me from time to time about this matter. About six weeks or two months ago the Minister for Environment and Planning and I met the proponents of this development to receive from them a progress report on the latest position with respect to their development. I think they are in a similar position to many proponents of developments of this kind in Australia at the moment, since they are finding it difficult to attract investment in the current economic climate. It may be desirable for those people to think about ways in which their proposal might be altered or scaled down in order to become more attractive to potential investors.

Ultimately, that is a matter for them to address, and if there is any assistance that the Government can give we will be keen to do that. I am not aware of a timetable for the implementation of this project, although I am aware that there is the possibility for either party to withdraw from the agreement that was entered into at the time, should either party believe that this development is not likely to be successful. As far as I know that point has not yet been reached, but the Government remains ready to provide whatever support, advice and assistance that we can to those developers.

I agree with the honourable member that the Mount Lofty area is a major location of tourist significance for Adelaide and surrounding areas, I certainly regret very much that it has not been possible to achieve a suitable development on the Mount Lofty summit site to this point, because this does mean that the tourism product that we have to offer visitors to our city is that much poorer. I can assure the honourable member that Tourism South Australia officers have provided as much support as they can to the proponents of the development, with a view to achieving a development there as quickly as possible.

The Hon. DIANA LAIDLAW: Mr President, I ask a supplementary question. Will the Minister provide information about the long-term requirements for building and exclusive development rights?

The Hon. BARBARA WIESE: I will make inquiries about that matter and inform the honourable member.

WILPENA DEVELOPMENT

The Hon. DIANA LAIDLAW: On behalf of the Hon. Mr Griffin, I understand that the Minister of Tourism has a reply to a question that he asked on 21 August about the Wilpena development.

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

Leave granted.

1. The lease contains no scheduled date of commencement. There has been no extension to the 30 June 1994 obliged completion date for Stage 1.

2. After the passing of enabling legislation the Minister for Environment and Planning rescheduled the obligation to submit the Public Information Plan and Environmental Maintenance Plan by 22 November 1991.

3. There is no rent obligation of $100 000. The first schedule of the lease prescribes the circumstances of paying an amount of $100 per annum. These payments have been made on time.

4. The bank guarantee was paid on 12 February 1990. The bank guarantee, under the terms of the lease, is only indexed in the event of recharging following any full or partial discharge of the amount held. There has to date been no such drawing on the guarantee.

SCHOOL BUSES

The Hon. PETER DUNN: I understand that the Minister for the Arts and Cultural Heritage has a reply to a question about school buses that I asked on 13 August.

The Hon. ANNE LEVY: As it is a very long answer, I seek leave to have it inserted in *Hansard* without my reading it.

Leave granted.

My colleague the Minister of Education has advised that the Education Department has since the 1940s provided free transport to and from school, for both metropolitan and country children, who live 5 kilometres or more from the nearest Government school.

The department's free transport policy has always enabled children who live within 5 kilometres of the nearest Government school to use departmentally provided buses, subject to room being available. This facility was not available to students who had access to State Transport Authority (STA) or municipal bus services, where the 5 kilometre policy was strictly enforced. In a large number of country areas, therefore, children have enjoyed a privilege not available to metropolitan students.

School excursion travel is not part of the STA free travel policy, nor is it proposed to provide free transport for school excursions, other than those which can be arranged within the constraints of existing STA or municipal bus networks. Excursion travel beyond the boundaries of these services requires the hiring of either an Education Department bus, a private bus or a bus chartered from the STA or municipal bus service.

The number of children who can travel on STA or municipal bus services is dependent on bus capacity and it does not necessarily follow that all students wanting to travel on an excursion will be able to be accommodated on one bus or regular route services. The STA has reaffirmed this on two occasions with *Education Gazette* notices. To ensure the smooth operation of excursions, metropolitan schools in the main hire specially chartered buses from private operators or the STA.

The Education Department allows its buses to be hired at a concessional rate by Education Department schools for Education Department approved excursions for Education Department children.

Departmental buses are based mainly in country areas and are therefore not available to metropolitan schools, an advantage enjoyed by country students for some time.

The Education Department operates 342 buses on regular route services and a further 300 privately owned buses operate under contract. Total replacement cost is estimated to be $38.8 million and the recurrent cost of running school buses in 1990-91 was $16.87 million. This represents an extensive subsidy for the transport of students, and the amount spent on students in rural areas is greater, although there are fewer students than in the metropolitan area.

It is not proposed to provide financial assistance for excursion purposes beyond that which exists under the school card system and the concessional hire rate for departmental buses. My colleague the Minister of Transport has advised that changes to the free student travel scheme were announced by the Premier in the budget on 29 August 1991.

SCHOOL CLOSURES

The Hon. R.I. LUCAS: I understand that the Minister for the Arts and Cultural Heritage has a reply to a question that I asked on 8 October about school closures.

The Hon. ANNE LEVY: It is a short reply, but in view of the time I seek leave to have it incorporated in *Hansard* without my reading it.

Leave granted.

My colleague the Minister of Education has provided the following responses:

1. Education Department officers and the Minister were made aware of the member for Semaphore's support for schools on the LeFevre Peninsula.

2. MFP officers have been consulted by Education Department officers during this year.

3. Information continues to be made available about the impact of the MFP, the submarine construction industry, the tourist industry and other related industries, including the tertiary education industry.

4. The impact of the MFP and other industries in that area will affect population growth projections in a number of electorates including Price, Albert Park, Spence and Semaphore.

HOUSING COOPERATIVES BILL

Adjourned debate on second reading.

(Continued from 17 October. Page 1205.)

The Hon. L.H. DAVIS: The Bill to govern housing cooperatives has come into this Council after being the subject of a select committee of another place over a period of almost a year. Housing cooperatives have had a rapid growth since the first housing cooperative was sanctioned by the then Liberal Government and the Minister of Housing in that Government, the Hon. Murray Hill. Indeed, it was in 1980-81 that the first housing cooperative, so-called, was formed, and that was a women's shelter, which recently celebrated its tenth anniversary.

The growth in the housing cooperative movement reflects, in part, a commitment by the Bannon Government to this style of public housing. I wish to have incorporated in *Hansard* a table, of a purely statistical nature, which underlines the growth in cooperative and association housing over the past five years.

Leave granted.

COOPERATIVE AND ASSOCIATION HOUSING

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Total units acquired *(a)*	250	227	145	126	205	n/a
Total stock as at 30 June	465	692	837	938	1 189	1 457
Incorporated groups as at 30 June	21	29	40	43	56	63

(a) From 1986-87, figures include units commenced for cooperatives as well as those purchased.

The Hon. L.H. DAVIS: This table indicates a trebling in the number of cooperative houses since 1985-86, from 465 through to 1 457 at the end of June 1991.

The number of cooperative housing associations, whether we are talking about tenant-based cooperatives or community housing associations, has also trebled in that five-year period, from just 21 in 1985-86 through to 63 in 1990-91.

The housing cooperative program was first established in 1980, as I said, with the incorporation of the Women's Shelters Housing Association. The primary aim was to provide affordable accommodation to low income and disadvantaged households who could not afford to buy their own home or pay rent in the private rental market. The Liberal Party fully supports that principle.

Cooperatives perform the function of a landlord, in so far as they raise capital, negotiate planning approval, dwelling acquisition or construction, manage the property, select tenants and collect rent. Also, in past years, cooperatives have been required to have a constitution and their own by-laws.

The Government, having committed itself to a strong cooperative program, has seen the need to introduce legislation to act as a protective umbrella over this burgeoning housing movement. The latest indications from 1990 are that the Government is committed to doubling the number of cooperative housing units, from 1 200 last year to 2 400 over a four-year period. That is significant in terms of public housing in South Australia.

In the early 1980s we had a situation where the trust had as many as 2 800 starts per year. This number has shrunk dramatically in recent years through adjustments to the Commonwealth-State Housing Agreement to the point where there will be barely 1 000 new trust starts this year, as well as suggestions that the program could fall to as few as 700 per annum in the near future.

So, the Government in committing itself to 350 to 400 cooperative houses is effectively committing about 25 to 30 per cent of total public housing starts to the cooperative program.

It is important to recognise that there is now a distinction in the cooperative housing program: two elements make up that housing program. First, cooperative housing is characterised by tenant management—tenant-based cooperative housing, so-called; and, secondly, the original cooperative housing model as established by the Liberal Party over 10 years ago, that is, the Community Housing Association, with community-based management for disadvantaged groups, for example, for women and children, the aged, disabled, former prisoners, refugees and migrants. There are many successful examples of such associations. I refer to the Bedford Park Housing Association for the Disabled, and the Northern Suburbs Housing Association, which is categorised as a tenant-based cooperative but which nevertheless has a special purpose of looking after people over the age of 60 years. I refer also to the South Australian Aboriginal Housing Association and, by far the biggest association, the Women's Shelters with about 136 units of a total of 607 units operated by community housing associations.

Until the legislation before us, the Housing Trust administered the program for both the 21 established community housing associations and the 44 tenant-based cooperatives. This legislation seeks to segment community housing so that community housing associations will continue to be managed by the trust and tenant-based housing in future will be administered by a separate statutory authority. I will say more about the merits of creating a separate authority in due course.

The review of rental housing cooperatives, which has taken place over a two-year period prior to the legislation coming into the Parliament in late 1990, recommended that a South Australian Cooperative Housing Authority be created to plan, promote, register and regulate the cooperative housing sector. As I mentioned, that recommendation has been incorporated in this legislation.

The Bill also provides for the incorporation and regulation of cooperatives because the Government believes the Associations Incorporations Act and the Cooperatives Act are unsuitable. Cooperatives have been required to comply with the provisions of the Associations Incorporations Act and the Cooperatives Act. It should be said in passing that those provisions are not necessarily onerous but certainly in past years there have been numerous breaches of the requirements of the Associations Incorporations Act and the Cooperatives Act. That has been referred to by the Auditor-General in his report and it has also been the subject of some debate in this Parliament.

The legislation before us provides a tenant with the ability to build up equity in their house if the rules of the cooperative provide a prospective purchaser with the right to buy a house from the cooperative; and rules and powers of the cooperatives. Membership, management meetings, accounting records, and the audit of cooperatives are also dealt with in this detailed legislation. A Cooperative Housing Development Fund kept by Treasury and administered by the authority will be used in the acquisition and improvement of cooperative housing.

It is worth addressing some of the history of housing cooperatives in looking at the legislation. There is no doubt that this Bill seeks to overcome some of the continuing problems in the housing cooperative movement. For instance, the Auditor-General in 1987-88 was most critical that there were no effective procedures to force cooperatives to pay any surpluses to the Housing Trust. Some cooperatives did not prepare appropriate financial statements as required.

In 1988-89 the Auditor-General again expressed concern, which was underlined in his 1989-90 report as follows:

> The agreements entered into with the trust provide for the preparation of annual financial statements, the payment of any annual surpluses to the trust as well as an agreed percentage of average rentals collected throughout the year. The internal audit review during the year revealed that several associations/cooperatives have not met some of these conditions. In addition, capital gains made from the sale of properties by some associations have not been accounted for as instructed.
>
> Similar problems associated with the standard of accountability within this scheme were reported on page 389 of the 1988 Auditor-General's Report. It is of concern that, notwithstanding action taken or proposed, this situation still exists.
>
> As the cooperative housing concept is an integral part of the State's public housing program involving significant public funds, it is essential to ensure that all member units that join the scheme act strictly in accordance with the terms of the agreement entered into with the trust.

That is significant criticism and it is pleasing to see that last year the Auditor-General had no need to criticise the housing cooperative movement. Certainly, that criticism has been in part at least the genesis for this legislation.

It is important to understand fully the extent of financial support for cooperatives. In 1985-86 the trust subsidies to 466 units of accommodation was $2.7 million. In 1988-89, the trusts subsidies spiralled to $12.5 million for 1 125 housing units, and that represented for community housing associations with 569 housing units a subsidy of $5.5 million, which was an average subsidy per unit in 1989-90 of $9 750. For cooperative housing in 1989-90 there were 656 housing units with a subsidy paid of $6.99 million, representing an average subsidy per unit of $10 655. In other words, that is a total of 1 225 units of accommodation and a total subsidy payment of $12.54 million.

To my way of thinking, they are pretty stunning figures. At that time—just last year—the trust was subsidising cooperative houses on average at about $900 a month. As the Auditor-General notes, most cooperatives meet only 19 per cent of average rental, with the trust meeting the balance, that is, 81 per cent. Members of cooperatives and housing associations were required to pay only 20 per cent of gross income for rent and maintenance. That was the prosition until this legislation was introduced.

Whilst I accept that there has been a sharp increase in the number of cooperative housing units in recent years, it can be said quite fairly that there has been little, if any, attempt to rectify serious financial and administrative problems referred to by the Auditor-General in each of his annual reports up to 1989-90. The Housing Cooperatives Bill was introduced last year, notwithstanding the fact that the Minister had established a review of the structure and

administration of Government agencies involved in housing, including the South Australian Housing Trust, SACON, HomeStart, housing cooperatives, the Office of Government Housing, the Office of Government Employee Housing and the Emergency Housing Office. The outcome of this review was not made public at the time this legislation was introduced. The Minister really was thumbing his nose at his own review.

At a time when Government is seeking to reduce duplication, the Bill proposes the creation of a new statutory authority—the South Australian Cooperative Housing Authority. This authority will replace the Housing Trust in supervising tenant-based cooperative houses. As I have indicated, the trust will continue to look after community housing associations. It is a matter of record that three cooperatives have been or are being investigated by police for fraud involving tens of thousands of dollars. These cooperatives have, or will be, liquidated at a cost to the taxpayer.

Another matter of legitimate concern to people scrutinising the housing cooperatives movement is that there is no proper check on the income earned by tenants in cooperatives and whether they are paying their fair share of rent. That matter is not really addressed satisfactorily, to my way of thinking, in the select committee report. I am told that some people, including professionals, business owners and university staff, in cooperatives receiving a Government subsidy simply would not qualify for public housing. There have been allegations of people selling a house and moving into cooperative housing. Certainly, the select committee did not find any evidence of malpractice, although it took evidence from a number of people. It is not surprising, however, that in such a sensitive matter ranks were closed and information was not forthcoming. Nevertheless, as members opposite would know full well, the cooperative housing movement, particularly in some areas of the north and the west of Adelaide, has been the subject of strong criticism, particularly from members of the Labor Party who have been aware of rorts and inequities that have been perpetuated over many years in the housing cooperative movement.

As I said, there have been allegations of people selling a house and moving into cooperative housing. It has also been clearly demonstrated that cooperatives can be used as a device to queue jump the 44 000 people on the Housing Trust waiting list. Only last year the Merz Housing Cooperative in the Hindmarsh area spent well over $10 000 on design and development for housing which had one bedroom units that were 60 per cent larger in area than the equivalent Housing Trust units and providing a design grossly out of character with surrounding buildings. I think it is inequitable to allow cooperative housing to have advantages that are not available to people in Housing Trust accommodation.

One of the Liberal Party's ongoing concerns in relation to the cooperative housing program is that the Minister is having a public love affair with tenant-based cooperative housing. He certainly has fallen out of love with community housing associations, which were the original housing cooperatives. I argue very strenuously that, in a time of extreme economic deprivation and hardship, at a time when South Australia is facing its toughest economic climate since the great depression of the 1930s, particularly in the area of houses, justice must not only be done but be seen to be done in the allocation of scarce public housing resources.

I am appalled that the Minister has been so lackadaisical and so laid back in his approach to the plight of community housing associations. While he committed himself publicly to supporting an ongoing program of 300 units of tenant-based cooperative housing a year, the Minister refused for a long period to make any allocation to community housing associations. Only recently has there has been some mention of a figure of just 100 units a year for community housing associations.

I think it can be strongly argued that there is an equal need, if not a greater need, amongst the community housing associations when we are talking about housing for the disabled—where there has been an extreme crisis—women's shelters, single parents and the mothers who have been victims of bashing at home, the intellectually and physically disabled and the aged. All these people are worthy candidates for community housing association accommodation.

I was present at the annual general meeting of CHASSA that was held last Sunday afternoon. To his credit, the Minister admitted publicly that he had 'fumbled the ball' with respect to his approach to community housing associations. He publicly admitted that the Government had lost sight of the needs and importance of community housing associations. However, to have dropped the reins for 12 months, to have lost that important momentum and to have lost the confidence of the community housing association leaders and to have put them to one side while he focused all his energies on tenant-based housing cooperatives does the Minister no credit at all. There is no social justice with a Minister who has a closed mind like that. So, for at least 12 months there has been no firm allocation for community housing, ignoring the area, I would argue, of greater need—women, children, the aged and the disabled.

The Hon. T.G. Roberts: The Bill going to a select committee slowed it down.

The Hon. L.H. DAVIS: The Hon. Terry Roberts foolishly interjects, saying 'The Bill in the committee slowed it down.' On the contrary, I would have thought that while the Bill was in the select committee for 10 months the Minister could have devoted his energy, while he knew the Bill was having a steady passage through the select committee, to working through a program for community housing associations, given that he made a commitment to having them managed by the Housing Trust. The original worthy objectives of the—

An honourable member interjecting:

The Hon. L.H. DAVIS: I would argue—

An honourable member interjecting:

The ACTING PRESIDENT: Order! The Hon. Mr Davis has the call.

The Hon. L.H. DAVIS: I think the honourable member has sirex wasp. The original worthy objectives of the cooperative movement are being ignored. There has been clear evidence that to get a place in some tenant based housing cooperatives one needs to have a friend. Examples have been given to me by members of the community who are Labor supporters. These examples involve people who are not able to obtain cooperative housing because they are not of the right political leaning within the Labor Party itself. So, there is evidence of people applying for membership of a cooperative and being refused without any valid reason.

The Hon. T.G. Roberts: Where is the proof?

The Hon. L.H. DAVIS: The proof is in your own Party. If the Hon. Mr Roberts spoke to some of his own members, he would find the proof. I suspect that he knows the answer. In his heart he knows that what I am saying is right.

Some of the evidence that was brought before the select committee was fairly specious. It lacked authority, and some of the technical and financial data were less than convincing. It was interesting to note that when the second reading of the Bill was given late last year it was totally devoid of

any financial information and statistical data about cooperatives.

This Government is clearly committed to a major change in direction in housing policy without any strong supporting argument or data. The proposition is that tenant-based cooperatives will pay their way. It is argued that they will cost less than comparable public housing administered by the South Australian Housing Trust. Originally, the model that was being used to justify the program was the capital index model for HomeStart, which assumes income increments 6 per cent above the consumer price index. That is ludicrous, inappropriate and dangerous. Fortunately, we have not seen much of that model in recent debates about cooperatives. It is clear that some of the arguments that were advanced to the select committee are less than convincing, and I want to touch on a few of those now to highlight that point.

At page 68 of the report of the Select Committee on the Housing Cooperatives Bill, under the heading, 'Income Growth', it states:

> The cost estimates of the housing cooperative program prepared by the Office of Housing incorporated a significant level of income growth for tenants of cooperatives. It is a feature of the program concept that this growth in tenants' income will generate high levels of rental which would eventually make the cooperatives self supporting. The income growth assumption is the most critical feature of the concepts and it is impossible to validate the grounds for the assumption other than by reference to anecdotal evidence.

On page 70, it argued:

> The opportunity for a cooperative to benefit from a given tenant's income growth depends on that tenant remaining in the cooperative. The assumed average term of tenancy in the projections made by the Office of Housing is 10 years which exceeds the average terms of South Australian Housing Trust tenants which have ranged from 8 to 10 years over the last five years. However, there is a possibility that the average terms for cooperative tenants will be shorter since they may tend to move out when their income grows, in which case the cooperative (and the Government) will not benefit from their income growth.

The consultants who were looking at the various income models concurred with the view that there is a philosophical base for expecting tenants' incomes to grow over a period of time.

I will give some practical examples. Sadly, the select committee refused to look at some of the models in place. As an example, I will take the Hindmarsh Housing Association. I understand that it is one of the oldest, if not the oldest, tenant based housing cooperative in existence. It has 39 units. Last year, those 39 units were subsidised to the tune of more than $10 000, which is close to $200 a week, and that is a significant sum. This year, those 39 units are subsidised to the extent of $313 000, which is $8 025 a year per unit, or $154.30 per week.

The Hindmarsh Housing Association is very proud of the fact that it has continuity of tenants. Its tenants have been with it for 10 years. There has been very little tenant turnover. Yet, after 10 years, this strong, well managed, confident housing cooperative is costing the South Australian taxpayer an average of $155 per unit per week in subsidy. That is an enormous figure. It blows out of the water absolutely the argument that over a period of time the incomes of housing cooperative tenants will increase dramatically, and it also blows out of the water the argument that tenants of housing cooperatives will move on.

If one takes the Hindmarsh housing cooperative as an example—I hesitate to take an example, but one has to look at the facts if one wants to establish an argument to rebut the proposition made by the Government and, indeed, ignored by the select committee, it would seem—one sees that there is no strong, conclusive evidence that the Hindmarsh Housing Association has done anything dramatic over recent years, which one would have expected if one read the arguments of the select committee. It is of concern to me that the subsidy level is so high. It tends to support the arguments of *Budgetary Stress*, a book of some authority, edited by Richard Landy and Cliff Walsh and published in 1989, which was critical of the housing cooperative model.

I use that example to illustrate the concern of the Liberal Party about the real cost of tenant-based housing. In all the analyses and studies that went on prior to the legislation coming before the Council nearly a year ago, the so-called surveys of housing cooperatives were very thin on the ground with hard data. The income details provided were very suspect. I was very disappointed at the lack of professionalism and authority exhibited in putting that information together. It simply did not stand up to solid scrutiny.

As I have said, it is of concern that the Government is imposing a major change in the direction of housing policy without any supporting argument or data. It is not for us to question that too seriously, because this legislation is seeking to shield the taxpayer and to develop an administrative and financial model for housing cooperatives, and that is to be commended.

However, at a time of severe economic crisis and sharply reduced Commonwealth moneys for housing, it is legitimate to question the Government on its commitment to cooperative housing and a promised minimum of 300 units a year for four years when the construction of new Housing Trust units will be slashed from 1 700 in 1989-90 to perhaps as low as 700 within the next financial year. As I have said previously, there is no provision for those disadvantaged groups which are specifically cared for by the Community Housing Association.

Most importantly, no consideration has been given by this Government to other housing options. For example, it is worth putting on the public record that South Australia is the only State that does not have cooperative housing societies. Members opposite blink with disbelief. Presumably, they have not heard of the cooperative housing societies that are such a feature of housing in places such as New South Wales and Victoria. Those societies borrow from wholesale markets and lend to customers at cost, which can be as much as 1.5 per cent under the retail housing loan rates. State Governments guarantee these loans, and this enables the housing cooperative societies to raise moneys at wholesale rates from the private sector.

In the three years to the end of 1990, New South Wales provided over $2.5 billion in housing finance through cooperative housing societies; in 1989, well over 20 per cent of home finance in New South Wales and 8 per cent of home finance in Victoria came through societies. However, in 1990 the Bannon Government in South Australia refused to provide a State Government guarantee to assist the fledgling Adelaide housing cooperative to follow its interstate counterparts. I thought that that was a bloody-minded attitude, and rather disappointing.

I seek leave to have included in *Hansard* two tables of a statistical nature which set out the grants provided to both tenant based cooperatives and community housing associations in the financial year 1990-91.

Leave granted.

TENANT BASED COOPERATIVES (44)

Cooperatives	Units	Grants 1990-91 $
Andes	12	72 593
Aussal	17	120 255
Beach	9	20 633
Central Districts	22	180 516
Central Western	17	130 407
China	15	111 629
Chow	11	106 495
Copper Triangle	21	149 136
Country	12	78 273
Eastern Suburbs	13	114 119
Epic	7	30 932
Gawler	30	254 923
Hills	12	115 986
Hindmarsh	39	312 954
House One	17	105 301
Inner Southern	16	176 758
Isis	15	143 885
Kensington & Norwood	30	292 165
Latamer	30	281 174
Marion	17	44 716
Masha	9	58 734
Merz	13	—
Mile End	22	172 159
Mount Gambier	9	19 375
Mount Lofty	12	89 342
Naru	16	144 242
Northern Suburbs	120	750 005
Onka	9	48 927
Parqua	25	227 419
Peach	30	270 143
Riverland	30	263 100
Riverside	10	55 506
Salisbury	17	133 422
Sapphire	17	141 168
Shawl	8	56 281
Simon Bolivar	9	52 729
Southern House Support	30	264 067
Southern Vales	30	243 750
Spark	20	163 483
Split	12	134 231
Switch	5	53 908
Turtle	7	27 297
Urrbrae	22	187 131
Western Area	6	66 302
Total	850	$6 645 571

Average Annual Grant Per Unit = $7 607
= $146.30 per week

COMMUNITY HOUSING ASSOCIATIONS (21)

Associations	Units	Grants 1990-91 $
Access	20	206 257
Advance	15	135 729
Angus	37	365 311
Bedford	21	266 048
Bert Adcock	30	300 401
Casa	30	281 685
Ecumenical	38	286 669
Elizabeth and District	15	135 258
Frederick Ozanam	40	341 379
Housing Spectrum	10	55 658
Intellectually Dis. A.A.	5	—
Manchester Unity	38	353 033
Portway	30	310 868
Quantum	4	—
Red Shield	45	359 413
Riversgate	9	—
South Australian Aboriginal	24	322 183
Someone Cares	35	338 029
Taasha	10	118 089
Westside	15	151 784
Womens Shelter	136	1 322 603
Total	607	$5 650 397

Average Annual Grant Per Unit = $9 309
= $179 per week.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: I understand, Mr Roberts, that no housing cooperatives are owned in New Zealand by housing cooperatives here, although one would never know what one might find is owned in New Zealand by this South Australian Government. We know that it has owned a plywood mill which both the Hon. Mr Roberts and I inspected and which both the Hon. Mr Roberts and I could not believe had been purchased by the South Australian Government.

The Hon. Diana Laidlaw interjecting:

The Hon. L.H. DAVIS: I refer to the Hon. Terry Roberts; I would not want to mislead the Council into believing that the Hon. Ron Roberts had been to New Zealand. I am sure the scales will be peeled from the Hon. Mr Terry Roberts' eyes in coming weeks about what other jewels have been owned by the South Australian Government across the Tasman. These two tables, which I have had inserted in *Hansard*, set out the names of both the tenant based cooperatives and the community housing associations, the number of housing units that they each own and the grants that they obtained in 1990-91.

It is interesting to note that some of the tenant based housing cooperatives have been receiving well in excess of $10 000 per unit per year, which is $200 a week per housing unit. One could well ask whether it would not have been cheaper to provide the person in that housing unit with the same sum of money or less, with an amount available for maintenance, and one could have achieved the same result, perhaps even improved on it.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: This is a tenant based cooperative. One could look at the example of Switch, admittedly, a smaller cooperative of five units, costing $54 000—nearly $11 000 a year—or the western area cooperative of six units with grants of $46 500, $11 000 a year again. Tenant based cooperative housing does not come cheaply.

To be fair to the legislation and to the report of the select committee, some of the past administrative slackness and financial advantages that were a feature of the cooperatives have been overcome. It is proposed that a rental structure be developed and that rentals be in line with South Australian housing trust rents. Certainly, in the past it can be argued that cooperatives have paid less than the Housing Trust for their accommodation. I would wish to pursue that question in the Committee Stage.

As I have said, the legislation seeks to provide an administrative and financial framework for housing cooperatives, and the framework of this legislation turns on the establishment of the South Australian Cooperative Housing Authority. The select committee accepted the arguments for a separate authority as the embodiment of the partnership between the Government and the cooperative sector and necessary to the success of this program. It certainly supported the notion of a separate authority.

In another place the Minister also supports the need for the authority. He makes the following point:

The committee took the strong view that reducing efficiency and duplication in administration is essential and recognised the need for integration of the cooperative program with other areas of the housing portfolio and for this reason the committee has recommended that the general manager of the trust or a nominee should be an *ex officio* member of the board of this new authority, namely, the South Australian Cooperative Housing Authority and the staff of the new authority should be drawn from the South Australian Housing Trust.

The new authority is a nonsense. It is preposterous; it is elitist to separate out tenant based housing cooperatives and community housing cooperatives and say that one should continue to be managed by the South Australian Housing Trust and one should have its own authority. Certainly, I accept that community housing associations are a different creature; in many cases they are organisations such as Bedford Industries, which have the management and carriage of the housing cooperative, and they administer that on behalf of the disabled tenants, in the case of Bedford Industries. However, in other cases, such as the Northern Suburbs Housing Cooperative, they would manage their own rather fairly well, I would have thought.

However, to create a different authority means that this Government is going down the same line as it pursued so successfully, so it thought, in 1987, when it created the Office of Government Employee Housing. I remember the debate when the Hon. Murray Hill and the Hon. Diana Laidlaw debated that on behalf of the Liberal Party. We made that point very clearly, succinctly, forcefully and well that there was no need for a separate authority to be established to administer Government employee housing. In disbanding the Teacher Housing Authority and the requirement of departments to administer their various houses (remembering that the bulk of them were teacher or police housing), there was no need to establish a separate authority.

The Housing Trust, which has the management of some 60 000 houses, could very well do that on behalf of the Government. If it could manage 60 000 houses with tenants, some of whom have significant hassles, it would be a relatively simple operation, one would imagine, to administer housing for Government employees who would perhaps have fewer hassles associated with them. No, the Government created its own authority, the Office of Government Employee Housing, which wallows under the appropriate title of OGEH. It is well known in the Public Service as OGEH, and it is pronouced as 'ogre'.

As I have said in the past week or so, it certainly is an ogre, because 12 per cent of the 3 000 houses under the administration of OGEH are vacant. One in every house in country South Australia administered by OGEH is vacant. We should remember that almost all the houses, bar 100 of the 3 000, are in country areas. Almost one house in eight is vacant. In cities, such as Port Lincoln, where there is a waiting list for Housing Trust accommodation and where there is a very short supply of rental accommodation, there are at least 10 houses administered by OGEH that are vacant. Some of those houses have been vacant for a year. What an ogre! What a waste of taxpayers' money. What an indictment on duplication and on inefficiency. What a nonsense.

So, the Government having so successfully gone down that path in 1987 says, 'Let's grow another lemon tree and this time we will call it by another name; we will call it the South Australian Cooperative Housing Authority.' I shall fight very strongly in Committee to oppose the creation of yet another authority. I want to say something else to members opposite who are respecting the force of this argument, and that is that the Government is so arrogant and so out of control that advertisements were placed in Government publications for positions in this authority before the legislation had been debated in Parliament. What sort of nonsense is this?

The Hon. Diana Laidlaw: It is arrogant.

The Hon. L.H. DAVIS: It is arrogant and it is quite improper. It is an affront to Parliament that this Government publicly advertised jobs for the boys—

The Hon. Barbara Wiese: And the girls.

The Hon. L.H. DAVIS: —and the girls, but I think they are mainly boys, before the debate had taken place in Parliament last year. That is a shameful affair. In Committee I shall certainly be asking the Minister how this was allowed to happen. This Government is desperately out of control and that is yet another example of it. I want to indicate that the Liberal Party supports the legislation—

The Hon. T.G. Roberts: You could have fooled me, from your contribution.

The Hon. L.H. DAVIS: We accept the need for an administrative and financial framework for housing cooperatives. Everything that I have said today to the Hon. Terry Roberts would have convinced him of the need for the legislation, and we certainly support it. However, that is not to say that we will not be questioning matters closely regarding the cost-effectiveness of the proposed financial model for cooperatives. The financial analysis is weak and unconvincing and does not attempt to draw practical examples, using cooperatives that have operated for some time. I think the Minister must be questioned closely on the need for detailed annual accounting of costs and benefits of the cooperative scheme, including variations from budget forecasts.

The Liberal Party will be asking questions about rent and the contribution to maintenance and debt servicing. What is proposed to be put in place there? We shall also seek comparisons with Housing Trust rental levels. In relation to the composition of SACHA, we question the size of that body, and we want some clarification about some of the debate that took place during the select committee regarding investment and occupant equity shareholders.

So, it is very much a Committee Bill. The Liberal Party welcomes the legislation. The select committee obviously did its homework well. I do not agree with all its findings and nor with some of the matters that it failed to address—but those are my views. I believe that the Housing Co-operatives Bill deserves support; however, some elements of it deserve close questioning and, in particular, amendments will be forthcoming from the Opposition in respect of the South Australian Cooperative Housing Authority.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

RESIDENTIAL TENANCIES AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 October. Page 1205.)

The Hon. L.H. DAVIS: This Bill goes hand in hand with the Housing Co-operatives Bill 1990. The amendments to the Residential Tenancies Act are as a consequence of the housing cooperatives legislation and the modifications in this Bill specifically address membership, variation of rent, responsibility for cleanliness and repairs, rights of assignment, subletting and termination of tenancy in tenant-based housing cooperatives. We do not seek to make an issue of this. We accept that cooperatives should have a right, for instance, to give notice of termination if a tenant ceases to be a member. There are a number of measures that have

arisen as a consequence of the housing cooperatives legislation. We support the second reading.

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

MOTOR VEHICLES (REGISTRATION-ADMINISTRATION FEES) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 17 October. Page 1206.)

The Hon. DIANA LAIDLAW: The Liberal Party is dissatisfied with this Bill. We are prepared to support the second reading so that we may move amendments in Committee, to highlight the weaknesses in the Bill and the discriminatory nature of it in respect of vehicles owned by certain categories of people or agencies. Depending on the success of those amendments or otherwise we will then determine our view on the Bill. However, at this stage we find the measure to be most disagreeable. It provides for an administration fee to be charged for motor vehicles registered without fee.

Honourable members may recall that there was a fight in this place in late November, early December last year about the Government's desire to charge registration fees for many categories of vehicles that hitherto had enjoyed no registration fees. That measure was lost. In fact, the Government withdrew the Bill in its entirety, following it being the subject of a conference with representatives from members of both Houses. The Government does not give up lightly, though, and it has decided that those vehicles which this Parliament determined should not be subject to a full or part registration fee should now be subject to an administration fee.

There are about 13 500 vehicles registered without fee in South Australia and the Government has decided that only 3 400 of those vehicles—not all 13 500, but only 3 400—should now be the subject of an administration charge and that that charge should be set at a level of $16 to recover costs.

The discriminatory manner in which the Government seeks to apply this charge is unacceptable and it should not be applied just to all vehicles other than Government vehicles. Many of the vehicles used by the Government that are now registered compete with the private sector and the councils and the like for various contracts but, even more than that, the Government is charging an administration fee for vehicles that are related essentially to emergency service provision in this State.

Specifically, I cite the State Emergency Service and the Country Fire Service. There may not be too many Government members who live in the country or who have reason to call on the SES or the CFS from time to time, but I can assure them that these organisations are absolutely vital to the operation of life in the country. They would be called on by all of us if there were any catrastrophes in the area in which we lived. That could include events as minor as a cat up a tree that will not come down or as dramatic as flooding, but these services are called on at such time.

The SES and the CFS rely almost entirely on volunteers and the good will of people to give up their time for such activities, not only in terms of work associated with emergencies but also in respect of fundraising activities. This is why the Liberal Party finds this Bill so disagreeable. The Government will be charging an administration fee on vehicles registered without fee when the very fact that they are registered without fee is an acknowledgement by members of Parliament and the Government in general that these vehicles serve an important community function, that they are operated essentially by volunteers and that we are keen for those volunteers to recognise that we support their work.

It is quite clear from correspondence the Liberal Party has received from the State Emergency Service, as follows:

> Should a registration fee for rescue vehicles and trailers be imposed, local government will be entitled to claim 50 per cent of that expenditure from the State Government subsidy scheme. This would mean that the Government would end up paying out 50 per cent on that registration fee.
>
> It is pointed out that Government will probably expect the State Emergency Service to absorb the fees from their annual budget allocation, rather than provide extra fees to meet those costs. It is further pointed out, that much of the council proportion of expenditure on State Emergency Service, is provided through fund raising efforts of State Emergency Service members themselves, through activities such as raffles, charitable functions, etc.

I do not see why such organisations should be raising additional funds through raffles and charitable functions to pay this administration fee for the registration of their rescue vehicles. As to the SES, it is important to recognise statements made in its annual report for the year ended 30 June 1990 in respect of State Government funding the local government subsidies, where the report notes:

> The requirement, by local government in 1989-90 was $261 040 as against the available funds of $196 000—a shortfall of $65 040. All local government authorities sponsoring local State Emergency Service units wre advised that their budget could not be met and, consequently, that it would be reduced accordingly. Some councils continued to fully support their local unit whereas others reduced their financial support in accordance with the reduction in the available subsidies.

The report goes on to note:

> It is vital that State Government recognises that local government involvement and makes sufficient funds available to cover the amount of subsidy claimed in each financial year. Without the required funds, service to the community will suffer and response to operational situations may not be forthcoming.

We find in this Bill that, far from making the funds available to local government that would be sufficient for the work undertaken by the SES, the Government is proposing a further financial impost on the SES and, through that, to the community in general.

That is one of the major disagreements the Liberal Party has with the Bill. We recognise that the Local Government Association is the organisation that the Minister for Local Government Relations claims is important as the source of consultation for this Government, rather than speaking with all councils, and it therefore is important that the Government take note of what the LGA says on this matter. I quote from a letter sent by the LGA on 10 September to the Minister of Transport, as follows:

> We are opposed to this impost as it has been introduced after councils have set their budgets for the current financial year and without consultation. The new fee should be considered as part of the overall negotiations with regard to the transfer of costs between State and local government pursuant to the memorandum of agreement.

There is no doubt that local government is most unhappy with the arrangements and consultations that have gone on since it signed that memorandum of agreement and it is finding that there are many more costs that local government will have to pick up shortly as a result of this process, at a time when the local rate base is difficult to sustain because of hardship within families generally and particularly within the rural community.

Local government certainly is not pleased, having set a lean budget for this financial year, to find after three or four months in the financial year that the Government seeks

to impose this additional administration charge on vehicles registered without fee.

They are certainly irate to think that the Government is seeking to impose that charge on local government, the State Emergency Service and the CFS, but not on its own vehicles. We hear a great deal about the Government's wishing to be more accurate in the costing of its services and to present budgets on a more commercial basis so that we have a true accounting of the cost of services. If the Government was genuine about that process, it would start taking account of the costs that everyone else in the community has to bear for the same service. Therefore, to highlight this matter, the Liberal Party will during the Committee stage move an amendment to clause 9 to provide that this administration fee is also levied on Government vehicles registered without fee.

I will also move an amendment that is very dear to the heart of the member for Custance in another place, who believes that if this Bill were to pass—and we hope that it does not—the Government would be prepared to have the administration charge cover a three-year period because, of course, that would mean that there would be less cost to the Government. The administration charge would be less than the $16 proposed for the annual charge. With those comments, I indicate that the Liberal Party will support the second reading, while being dissatisfied with this measure.

The Hon. I. GILFILLAN: I indicate that the Democrats oppose the measure and will oppose the second reading. I do not have any sympathy with the measure. I believe it is a backdoor attempt to reintroduce measures for a quasi registration of vehicles that are qualified for exemption from registration. Although the figure is touted as $16, as everyone knows, it is liable to escalation. I do not accept the argument that there is justification to recoup the service and administration costs. Vehicle owners and those who have been mentioned in the previous debate—being a considerable number of landowners and councils—have not asked to have unnecessary administrative book work loaded onto their costings, and I have no sympathy with the measure. I therefore indicate the Democrats' opposition to the second reading.

Bill read a second time.

MARALINGA TJARUTJA LAND RIGHTS (ADDITIONAL LANDS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 October. Page 1207.)

The Hon. I. GILFILLAN: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. PETER DUNN: The Opposition supports the Bill. However, I would like to make a few comments about the second reading explanation. I do not know who wrote it, but it is a real doozey. It refers to quite a few things, and I will go through it chronologically. The Maralinga Tjarutja area comprises about 76 000 square kilometres, and this Bill transfers about 3 600 square kilometres to it; that is about 2 per cent of the total, if my maths are right.

No-one has much argument about that, but there is one section that I wish to draw to the Council's attention. The primary aim of this Bill is to add land at the southern boundary. At the moment the boundary incorporates an area that runs parallel to the east-west railway line, and it runs north of that line for about seven miles. This Bill is saying that the actual boundary will be the railway line, and that makes it a fairly clear definition. I am not sure that that is terribly significant, but that is what is happening.

In the old days the boundary was the Maralinga Tjarutja lands, and I suspect that they were surveyed by Len Biddell, who did most of the surveying of the area. I suspect that to give a little latitude on either side of the railway line so that there could be roads, and whatever, he left a buffer zone of Crown land on the northern side. This Bill puts that piece of Crown land into the Maralinga Tjarutja land as determined in 1984.

The Minister's second reading explanation goes on to refer to Ooldea as a meeting place. Ooldea is in about the middle of the Maralinga Tjarutja lands, just south of the Maralinga village. The second reading explanation refers to a meeting place and a ceremonial site for those from the Great Victoria Desert and beyond. I agree with that. In fact, it was one of the most important trading areas for the clan groups from the Kimberleys in Western Australia and from Central Queensland.

I suspect that is wrong. I do not think that people travelled from those two directions—that is, the north-east and the north-west—into that area because they had enormous deserts to traverse if they came there trading, as this implies, because it was a regular trading place for people from the Kimberleys and Aboriginal people from Queensland. For a start they were different tribes. I can understand the Pitjantjatjara people traversing those areas, but tribes from outside would not have come right into the centre of the Pitjantjatjara lands from either the west or the east. I think it defies logic that they would do that on a regular basis, as this implies.

The second reading explanation goes on to say that the cultural and social fabric of the traditional nomadic peoples who are identified with Ooldea was tragically destroyed by white settlement, particularly with the construction of the railway. I suspect that there was a change to their life-style, but whether it was destroyed is another thing. When the Maralinga lands were surveyed and the people taken out because there was to be some atomic testing in the area, I should have thought that had much more of an influence on the people who lived in the area than the fact that the railway line went through there.

If we want to go into a little history, Ooldea was the place where Daisy Bates spent much of her life. Daisy Bates came into South Australia from, I think, Victoria, although I cannot swear to that.

The Hon. T. Crothers: From Ireland.

The Hon. PETER DUNN: She might be of Irish descent, as I am reminded by my Irish colleague, but I think she came from Victoria. There are photographs at Fowlers Bay of Daisy Bates playing polo. They brought chips from Melbourne and played polo at Fowlers Bay probably in the winter time when the climate is colder in Melbourne and warmer at Fowlers Bay. Obviously, she came by boat and then travelled north by buggy. I think there is a photograph in this building which depicts Daisy Bates travelling to Ooldea, where she lived among the Aborigines, administering to them and keeping a number of railway workers separate from the Aborigines. It is said that she slept part way between the railway line and the Ooldea camp of the Aborigines, or the Ooldea soaks, which are some miles north of the Ooldea railway siding. She had a camp between those two areas and stopped the meeting of those two peoples.

The second reading explanation goes on to state that wells were sunk at Ooldea to satisfy the needs of the steam trains that were to traverse the area east and west. It is true that wells were sunk and that water was pumped out of them

for the steam trains. The second reading explanation goes on to say that these steam engines destroyed the natural water soaks forever. That is nonsense. I was there not too long ago and there was plenty of water in those soaks. I suspect that they dry up in very dry conditions in normal circumstances, but to say that the steam trains destroyed them I think is wrong. One may fork a well—that is, pump it until it is dry—but usually it will recover.

There is also a comment in the second reading explanation about the Christian missions that were established in the area and how, when they were withdrawn, no acceptable alternatives were provided, leaving the Ooldea Aborigines in a cultural vacuum. I think that is taking a bit of licence to make nonsense statements like that in a second reading explanation. It may have affected the people, but to say that it left them in a cultural vacuum is nonsense. For a start, there was not a huge number of people there. It was not all the Pitjantjatjara people who were there, or indeed a half, a third or even a quarter of them; it was a very small number indeed.

The Minister's second reading explanation goes on to say that we will never be able to make up for the mistakes of the past. That might be the opinion of other people. I am not sure that this Bill will fix up the mistakes of the past. All it does is identify the boundaries within which those people may now travel. I cannot see how it will correct the mistakes of the past or the future, for that matter. We did not think it was a mistake at the time. It is only in recent times that someone has identified it as a mistake. I am not sure that it was a mistake in my own mind, but I can understand other people thinking that.

The Minister, in the second reading explanation, talks about contamination in the area of Taranaki, just north of the Maralinga village, where the atomic explosions were carried out. There is no doubt that there is plutonium and highly radioactive slowly decaying materials in the area. However, the Bill does not address that; it just talks about them being there. I think it is up to the Government to endeavour to get from the British people some funds to clean it up. I know that there have been some negotiations, but they do not seem to be occurring extremely quickly.

It is the next paragraph to which I take umbrage. In part, the Bill identifies four extra parcels of land that will be added to the Maralinga Tjarutja lands. Part 19 is immediately north of Ooldea from approximately Watson east to longitude 133. Then it takes a very small section, from longitude 133, 700 metres across to the boundary of Commonwealth Hill station which at the moment is a dog fence. We have heard the nonsense that goes on in South Australia when we have shifted a boundary from a known longitude. I am referring to the boundary of South Australia from the Murray River down to where it hits the sea, where it is approximately one second west of where it should have been. I understand that that happened in about 1840 when a person called Evelyn Sturt, who was a brother or cousin of Sturt the explorer and a justice of the peace or a magistrate, was investigating a murder in the Dartmoor area and wanted jurisdiction over the area. As it turned out, he was a JP in Victoria, so he could have had jurisdiction over the area about which we are talking. At about that time three surveys were done north and south of latitude 141. Because they used English clocks and there was something wrong with the chronometers, we now have the boundary one second too far to the east.

The Hon. T. Crothers: What is a second? Is it about three miles?

The Hon. PETER DUNN: Six miles. It is a tenth. Anyway, it is one second too far to the east. That has caused a problem for fishing alone, because the fishing grounds south of that longitude are very rich in crayfish. There has been some argument as to whether South Australian fishermen should be licensed to fish in that area. Along with that, the whole of the Glenelg River should really have been in South Australia, not in Victoria as it is today.

So, there have always been problems with that north-south boundary on the eastern side of South Australia. I suggest that, if the boundary of this Maralinga Tjarutja lands at longitude 133 is shifted 700 metres farther to the east until it uses the dog fence which borders on the Maralinga Tjarutja lands and Commonwealth Hill, there will be a problem, because the dog fence will be moved one day, as sure as I am standing here. Even on my own property, trees grow up on the boundary fences and we tend to move them because, under the new Native Vegetation Act, we cannot clear a tree which has a butt larger than 4 inches in diameter. So, the easiest thing is to move that fence. If that happens, ultimately there will be a problem with the identification of the boundary of the Maralinga Tjarutja lands.

We may laugh at it at the moment—it may seem funny—until somebody has a mining lease there and there will be an unholy argument then. I suggest that it should stay on longitude 133. I have shown this to Parliamentary Counsel and it is not as easy as it sounds to draw up an amendment, because it involves drawing up a new map. This is difficult. For practical reasons, I suggest leaving the boundary on longitude 133, because in the long term the dog fence will be moved one way or another somewhere along the line—it is only a physical barrier at the moment—and there may be an argument. So, it would be much better if the boundary, as is designated in schedule 1 of the old Act, remain at longitude 133. It is very easy today to identify longitude 133 but it will be harder in 100 years time to determine where a fence once was. It may still be there—fences do not break down very quickly in that area—but it may not be.

How this came about was that the Commonwealth Hill station had problems determining where longitude 133 was, because no surveyors were present, so they erred on the side of conservatism and put the boundary 700 metres in and, with a compass, allowing for magnetic variation, went north and south. That is how they came up with that fence line where it is now. This Bill shifts the boundary of the Maralinga Tjarutja lands across to that fence line; it is easy to observe where it is, because it now has a fence. I would like an answer on this matter. It is not a clever thing to do, to put it at a fence line. Railway lines are a different proposition because they are much more substantial. That boundary would be roughly 100 miles by 700 metres; it is not very much but it is significant and, in the long term, if there is an argument about mining or something like that, it will become very complex, as is the eastern border of South Australia with Victoria.

The rest of the Bill is quite legitimate. With regard to the bottom section, it is wise to do what is suggested. The Bill does have a couple of other amendments. It reserves mining rights which are really in the old Act. I am asking the Minister to speak to the Minister in another place and obtain a good explanation as to why we have used it, other than that it is an identifiable barrier. I do not think that is a good enough reason to move a boundary on a defined longitude. I support the rest of the Bill. The Liberal Party believes it is quite right. The Maralinga Lands Act was a good piece of legislation. It allows access through the roads by travellers, provided they do not move too far off the edge of the road, and a defined distance is provided. It is interesting to note in this Bill that the humble rabbit gets a

very small mention where it provides for a person who proves to the satisfaction of the Minister that he or she carried out the business of taking rabbits, so we are using this Bill to control vermin in the area, and I would agree with that. As far as we were concerned, the Bill is quite satisfactory, other than in the areas mentioned.

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

APPROPRIATION BILL

Adjourned debate in second reading.
(Continued from 17 October. Page 1216.)

The Hon. R.J. RITSON: When I sought leave to conclude my remarks at a later date, I had dealt with some questions of industrial safety in the diving and underwater construction industry. I appreciate the Minister's response, which has been one of undertaking to look into the matter rather than a knee jerk defence of finagle. That will probably see the beginning of the end of the problems in that area, but we will keep watching.

The only other matter I want to talk about briefly now is a medical matter and it concerns general medical practice by Government from Government premises, and my remarks will include some comment on the problems faced by general practice, given the last Federal budget. Some years ago the Government brought down a report called the Douglas report, which was a financial analysis of the Noarlunga Drop-in Centre which, at that time, offered a number of services, including general practice care. The general practice services were offered apparently free, the clinic recovering what it could by way of bulk billing.

At that time I raised the point that this apparently free Government-supported practice was quite close to several other practices and had a significant financial impact on those practices. Everyone wondered just what the Government service actually cost. It is easy to cost the average service in a private practice. The cost is the fee. The expenses—the cost of the building, medical supplies, laundry and staff wages—are subtracted from the gross fees received and divided by the number of patients. Any surplus is the principal's wage or income.

In the case of the Government clinic, the Douglas report revealed that that clinic was losing money and requiring subsidy by the Government. In fact, the real cost of the service was more than 50 per cent above the average fee. In regulations tabled in this place, I think early this year, the Government increased the fees charged to compensable patients by Government health services. There was a scale of fees for hospital beds, for specialist clinics and for services in teaching hospitals, but the general Government health centre fee charged to compensable patients was, as I recall, some $52. That is quite a remarkable thing. When the Government conducts a general practice, does it really cost $52, whereas it is expected to cost $19 in the private sector? The Government's response indicated that that was true, because it said that it charged that amount because it was true cost recovery. Either that is true or the Government is indulging in a huge, almighty and unprincipled rip-off of the insurance industry, including its own insurance agency, SGIC.

I think it is time for another report akin to the Douglas report, to discover what the real cost of Government general practitioner services is. I recall reading the reports of the Scullin and Melba experiments. Scullin and Melba are two suburbs of Canberra and some 15 years ago some comparative studies were made of the costs of a salaried service and a fee-for-service service in those suburbs. Indeed, that demonstrated what the Douglas report demonstrated in this State many years later, that all the evidence points to the fact that salaried general practice services rendered by Government institutions are more expensive. I think we need to know whether it is really more than twice as expensive or whether there is this enormous rip-off by the Government of the insurance industry when a compensable patient looms on the horizon. I shall be pursuing that issue for the next year or two until the Government comes clean on it.

I want to make an observation about private general practice, and it is this: for some years private general practitioners have been working from a base fee that has diminished in real terms. With the last Federal budget we have now reached a point where they cannot chase the fee down any more, and I really fear for the future of general practice, under Federal Minister Howe's social directions. There are pressures to transfer minor health care procedures from the general practitioner to nursing staff. I honestly wonder why we bother to take the very top stream of matriculants, the very best of the straight A students, give them the most demanding and longest university course there is and then erode their income base continuously and relentlessly, perhaps for ideological reasons. We then seek to hand their work over to a group of people who have not done a seven, eight or nine year course, having been straight A students, but to a group of people who may have had the lowest matriculation entry requirement and done a four year course. That certainly seems odd to me.

The whole question of Australia valuing its intellectual resoures is indeed one of a sad and sorry mess. We continually manage to export our PhDs and import their inventions. That is what we are doing. Now, with our medical practitioners we are educating them very expensively, producing the best, but paying them poorly and replacing them with less well educated people. So, the broad picture is a very sad one. Time will tell and indeed time will tell whether Minister Howe ever has the opportunity to put his plans into practice, or whether he is supplanted by someone else who is a member of the Hewson Government. In closing my remarks, I say again that I will be looking for another equivalent of the Douglas report to see really whether the Government is so inefficient that it cannot produce a general practice service at less than twice the cost of the services of a private practitioner, or is it the case that, instead, the Government is conducting a monumental rip-off of the insurance industry? With those remarks, as I always do, I support the Appropriation Bill.

The Hon. BERNICE PFITZNER: In debating the Appropriation Bill on this occasion, I recall that it was on this subject and at this time a year ago that I gave my maiden speech. At that time my concern was that the Government's economic strategy was one of high taxing and high spending. A lot of water has gone under the bridge since then, and I do not think it is too dramatic to say that not only has water flowed but that the lifeblood of this State has been sapped by a Government that has mismanaged our State funds. So, we still have a high taxing strategy, which is now almost mandatory because of the Government's poor economic performance. I seek leave to have inserted in *Hansard* without my reading it Table 3.1 on page 42 of the Financial Statement Paper No. 1, which shows taxation receipts for 1990-91 and estimated levels for 1991-92.

Leave granted.

Table 3.1
Recurrent Receipts 1990-91 and 1991-92

	1990-91			1991-92		
	Actual	$ m	% Change Unadjusted	Estimate Adjusted *(a)*	$ m	% Change Adjusted
Commonwealth Grants						
General Purpose	1 430.8	2.6	3.5 *(b)*	1 498.9	4.8	5.3 *(c)*
Specific Purpose	982.3	10.5	—	1 098.2	11.8	10.0 *(a)*
Total Commonwealth Grants	2 413.1	5.7	6.2	2 597.1	7.6	7.2
Taxation						
Land Tax	76.0	5.7	—	76.0	—	—
Gambling	122.2	9.4	—	143.3	17.3	—
Payroll Tax	472.9	19.6	—	511.8	8.2	—
Financial Institutions Duty	92.3	86.8	—	115.0	24.6	—
Stamp Duties	305.1	−1.8	—	330.7	8.4	6.4 *(g)*
Debits Tax	11.5	n.a.	n.a.	28.6	148.7	3.6 *(f)*
Business Franchises—						
Gas	7.8	16.4	—	8.5	9.0	—
Liquor	42.6	4.9	—	44.2	3.8	—
Petroleum	70.1	−10.0	−7.4 *(g)*	85.9	22.5	19.1 *(g)*
Tobacco	85.3	54.5	—	101.0	18.4	—
Business Undertakings— Levies and Payments in lieu of Taxes	47.5	−12.4	—	42.8	−9.9	—
Total Taxation	1 333.3	13.6	13.8	1 487.8	11.6	9.6
Non-tax Receipts						
State Undertakings	9.4	n.a	—	25.6	172.3	—
Fees for Regulatory Services	14.8	18.4	—	17.5	18.2	—
Recoveries	658.3	−13.9	—	781.3	18.7	—
Fees, Fines and Charges	71.4	−29.4	—	85.2	19.3	31.5 *(h)*
Charges on other State Government Agencies	11.5	45.6	—	6.8	−40.9	—
Territorial	82.4	71.3	—	70.4	−14.6	—
Total Non-tax Receipts	847.7	−9.3	—	986.8	16.4	17.4
TOTAL RECURRENT RECEIPTS	4 594.1	4.6	4.7	5 071.7	10.4	9.4

Note: Components may not add to totals due to rounding.
(a) Adjusts 1989-90 receipts for changes in accounting arrangements between 1989-90 and 1990-91 and adjusts 1990-91 receipts for the transfer to the State of the debits tax and a refund in 1990-91 of previous years' overpayments of petroleum licence fees.
(b) Adjusts for the transfer of the debits tax to the States with offsetting adjustments to general purpose recurrent grants from the Commonwealth.
(c) Adjusts for the full year effect of the debits tax transfer and changes in funding arrangements for local roads.
(d) Adjusts for changes in funding arrangements for local roads and Companies Code revenues.
(e) Excludes stamp duties on transactions for which the Government has agreed to provide relief through *ex gratia* payments.
(f) Adjusts for the full year impact of the debits tax transfer.
(g) Adjusts for a refund of 1990-91 for overpayment of petroleum licence fees in earlier years.
(h) Adjusts for Companies Code revenue previously shown as part of 'Fees, Fines and Charges' but which is now received as a 'Commonwealth Specific Purpose Grant'.

The Hon. BERNICE PFITZNER: It will be noted that the total taxation is increased by 11.6 per cent, which relates to an increase in revenue of $155 million, and under deteriorating circumstances for the community. It will also be noted that the individual taxes have increased: payroll tax, an increase of 8.2 per cent; FID, an increase of 24.6 per cent; and stamp duties, 8.4 per cent.

Last year the high taxing strategy was needed as it was a high spending Government as well. Since that time the promised tough expenditure cuts of $195 million are only an illusion. The tough razor gang, GARG, did not deliver any savings last year, and this year 1991-92, a forecast of only $27 million is expected. The rest of the cuts will be achieved by cutting capital and infrastructure spending and allowing for inflation of only 2.5 per cent. Also, this time the Government will possibly not be a high-spending Government but only because it does not have any money left to spend.

With the State Bank debacle, that is, a debt of $2.3 billion, we have recurrent interest repayments of $220 million per annum *ad infinitum*, for all time. This can be related to approximately $4 600 that every family has to pay in South Australia per year. To address this mismanagement the Government has to make massive borrowings, and it is estimated that the Treasurer will borrow $1.6 billion this financial year—the largest in this State's history—with an estimated record input by SAFA from a previous $270 million to $400 million. The State debt as a proportion of gross domestic State product is 23.3 per cent, compared with 15.4 per cent only a year ago.

A small example of the Government's mismanagement can be noted with Homesure. From the Auditor-General's Report, Homesure was introduced in January 1990. The assistance granted during 1989-90 was $390 000, but management costs were $744 000. Yet again in 1990-91 the assistance granted was $457 000 and management costs were $361 000, resulting in a total over the two financial years of $258 000 more in management costs over the amount given out in home assistance. This Homesure scheme is now defunct. So much for the Government's promise during

the 1989 State election to provide relief for struggling home buyers facing crippling home loan interest rates. It is incomprehensible to me how this Government can continue.

As Professor M. Lewis, visiting Professor in Economics at the Flinders University, commented:

> . . . in a democratic system there has to be accountability, and the electorate must be able to identify who is responsible for mistakes. In February, Mr Bannon argued that 'the [State Bank of SA] Act does not give me the power of direction. It is drawn specifically to exclude interference by the Government of the day'. That statement now sits uneasily with evidence put to the royal commission.

Accountability does not appear to be a high priority with the Government. It will be noted that, whilst major private banks in Australia expanded their assets at 17.7 per cent per annum over 1989-90, the State Bank expanded at the rate of 44 per cent per annum, increasing from $3.4 billion in 1985 to $21.1 billion in 1990. It will also be observed that, whilst major Australian banks had 7 per cent of their loans to the property sector, the State Bank had 22 per cent of its loans to property, of which 52 per cent are now non accruals. Professor Lewis commented:

> . . . anyone having a passing familiarity with the property market in Australia should have been aware of the regular ups and downs of commercial property prices.

Again, Professor Lewis states that:

> . . . no plans have been announced to amortise the extra Government borrowing, and we can only presume that the intention is to finance the debt [of the State Bank] in perpetuity . . . The interest cost of servicing the debt is to be borne by our offspring, until kingdom come . . .

This is the mark of an irresponsible Government, making irresponsible decisions. Finally, on this subject of economics, when figures of millions and billions of debts are continually stated, after a while the community's sharp edge of economic reasoning becomes blunt and, as Professor Lewis puts, it:

> Mr Bannon may be responsible for an even more damaging legacy than his negative fiscal bequest, and that is to anaesthetise the electorate to political impropriety.

We have been the 'lucky country' but now, both State and nationally, as Anne Summers puts it in the *Bulletin* of May 1991, it has become the curse of the lucky country. We have been inward-looking and have had a sense of superiority. We are a remote island continent, untroubled by wars and turmoils of other nations. We did not feel the need to work hard.

We have always had the attitude of 'she'll be right'—but now, as Mattingley and Partners put it, 'she'll be right no more'. Yes, as a new survey conducted by the Melbourne-based advertising agency Mattingley and Partners has observed, it is a gloomy picture for the Australian family, in particular.

As a person involved in family and children, one is aware of the research done by Don Edgar for the Australian Institute of Family Studies. It has been found that the family is the central unit of this society and that it is in the family arena that our children's and tomorrow's adults' social behaviour is formed, As he says:

> It is the place in which social behaviour is constructed, interpreted and transmitted from one generation to another.

But, this unit is changing. It has been noted in a survey on Australian family values by A. Vandenheuvel that the most important person in the world was originally the family. However, there are signs of changed values and the most important person now is the individual.

Mattingley's survey confirms this and comments that the family in the year 2000 will be under tight economic pressure which will fuel family break-ups. They will be more individualistic and they will do less and less together. Most people see the family threatened by the struggle for economic survival, declining living standards, rising crime rates and individualism.

The home will be the social centre, but there will not be family activities. More likely there will be a group of individuals, each doing their own thing in separate rooms, a more selfish attitude will pervade. In the survey of Mattingley, when people were asked to illustrate the year 2000, as he says:

> They produced a bleak and gloomy landscape characterised by high-rises, treeless concrete, police cars, smoke and haze, pollution, sadness and danger.

This is our legacy for the future if we do not do something about our Government, something for ourselves. When asked for the wished-for future, people drew sunshine, birds singing in trees and families with smiling faces, with pets standing outside their own homes. Things look sunny and safe. We must all work towards that future.

How can we achieve this future for ourselves and our children? We must take note of some of the suggestions made by R. Gottliebsen and D. Farmer in the *Business Review* and by B. Clancy in the *Australian Farm Journal.* B. Clancy, in the *Australian Farm Journal* states:

> When agriculture is sick, Australia and its economy is sick.

An investigation of agriculture's fluctuating fortunes notes that over the last 25 years, although agriculture now accounts for 4 per cent of economic activity, there is the multiplier effect from the farm sector. A small effect on farm income has a big effect on the level of spending on consumer goods and cars, tractors and household goods. The farm sector still is a significant factor in the overall Australian economy. As Dr Weekes, Lecturer in Management Accounting, at the Royal Melbourne Institute of Technology says:

> It is time Australia woke up that farming needs some form of intervention, like other countries provide.

It is interesting to note that *Australian Business* (September 1991) has forecast a 'new dawn on the land', suggesting that a rebirth in agriculture will overtake mining over the next 20 years, due to the growing prospect of world food shortages. Our major advantage is our huge reserve of inexpensive land. Nowhere else in the world do people have the luxury of 17.5 million people sitting on nearly 8 million square kilometres. In China 1.2 billion people sit on 9.5 million square kilometres.

The agriculture sector must adopt a visionary and forward-thinking approach. It must be competitive globally and it must concentrate on adding value to the agricultural commodities. For example, for cereals, the raw material represents an average of only 5 per cent of the final retail value of the end product, that is, for every $1 of wheat $19 is value-added by the processing, distribution and marketing sectors. Value-adding for wool is even higher, with the raw material amounting to only 3 per cent.

We must turn the whole nation around onto an upward spiral. After decades of complacency, we must make changes. In our manufacturing sector, Governments must assist in waterfront, transport and industrial relations reforms, interest rates and Government regulations. We must not only work hard but we must also work smart. We must be aware that in the manufacturing business pay is not the only issue, but that the way in which time is used to work new technology is of importance. We must have world-class operating practices, rid ourselves of waste, have businesses free of Government support and commit ourselves to finding solutions to offset disadvantages. As R. Gottliebsen says, 'We should develop more flair and innovation, to develop an entrepreneurial pattern of behaviour that allows you to go one up rather than just be equal.' Although we might try

hard to adopt a change in Australian manufacturing and farming, this recession, that we had to have, has caused the most depressing situation of all—that of a high rate of unemployment. In this State the unemployment rate is 10.4 per cent, and expectations are that it will increase to 11 per cent.

In Singapore, the unemployment rate is a zero level; and in fact that country does not have sufficient people to take up the numerous job vacancies. In China, with 1.2 billion people and the birth rate increasing the population at 17 million per year (that of the whole of the Australian population), the unemployment rate is .05 per cent. The legacy that we might be leaving our children is of youth without jobs for two years or more. It is no wonder that our juvenile crime statistics are on their way upward.

D. Forman also reports that we must adopt an export culture to survive. He says that we must broaden our marketing focus to the world, as it might be the last chance at prosperity. Australia is well-placed to supply the expanding South-East Asian market. We have good researchers and skilled technicians and could become a leader in specific fields of research, and in developing expertise in biotechnology. Geopolitics also presents opportunities. There is a move towards international trading blocs in order to form strategic alliances or partnerships to provide a foothold in the various regions. The Asian-Pacific region has big potential growth, and Australia should try to predict skills and services that would become in demand particularly in Japan and China. The latter country I visited recently, and I feel that it is a sleeping giant which can provide Australia with immense trading potential. Its policies encourage and promote joint trading venutres.

I feel that we must link up with these countries of the Pacific—in particular the dynamic economics of East Asia, that is, Japan, China, Korea, Taiwan, Hong Kong, Thailand, Singapore, Malaysia, Indonesia and the Philippines. Their economic performance is phenomenal; they are just at our back door, and we must not allow the potential of trade exchange to pass us by.

In China I noticed Italian, German and some New Zealand investments, but the Australian component was difficult to find, except for the iron-ore supplied to one of their vast steel factories.

I seek leave to have inserted in *Hansard* a statistical table comparing the GDP growth rates of Asia-Pacific economies over a period of 30 years.

Leave granted.

REAL GDP GROWTH RATES OF ASIA PACIFIC ECONOMIES

	1960s %		1970s %		1980-87 %		1988-1990 %
EC Average	4.6		2.9		1.8		3.4
OECD Average	5.0		3.2		2.5		4.0
1. Japan	11.1	1. Hong Kong	9.9	1. China	9.7	1. Thailand	10.9
2. Hong Kong	10.0	2. Singapore	9.1	2. South Korea	8.8	2. Singapore	9.2
3. Taiwan	9.6	3. South Korea	9.1	3. Taiwan	7.2	3. Malaysia	9.2
4. Singapore	9.2	4. Taiwan	8.3	4. Hong Kong	6.9	4. South Korea	7.6
5. South Korea	3.6	5. Indonesia	8.0	5. Singapore	5.8	5. Taiwan	7.4
6. Thailand	7.9	6. Malaysia	8.0	6. Malaysia	5.0	6. China	6.8
7. Canada	5.2	7. Thailand	6.9	7. Thailand	4.2	7. Indonesia	6.2
8. Philippines	5.2	8. Philippines	5.3	8. Japan	3.7	8. Philippines	5.7
9. Malaysia	5.1	9. Japan	6.1	9. Australia	3.0	9. Japan	5.6
10. Australia	5.1	10. China	6.1	10. Canada	2.7	10. Hong Kong	4.6
11. USA	4.1	11. Canada	4.2	11. USA	2.5	11. Australia	3.6
12. China	4.1	12. Australia	3.3	12. New Zealand	2.3	12. Canada	2.8
13. Indonesia	3.8	13. USA	2.9	13. Philippines	0.3	13. USA	2.7
14. New Zealand	3.3	14. New Zealand	2.8	14. Indonesia	0.1	14. New Zealand	1.1

The Hon. BERNICE PFITZNER: One notes that in the 1960s, of the 14 countries of the Asian Pacific region, the top performer was Japan and Australia was ninth; in the 1970s, the top country was Hong Kong, and Australia was listed 12th; in the 1980s, China was top and Australia was ninth; and in the late 1980s/early 1990s Thailand is top and Australia is eleventh. However, although we are not a top economic performer, we are a nation rich in commodity wealth and with a political system that other countries, especially in the Asian-Pacific area, admire, and we must do more to cultivate trade links with those countries.

There is, however, a difficulty doing business with the East Asian-Pacific countries as there are hidden differences due to our different cultures—that of Asian and Anglo-Celtic origins. We ought to try to learn their language, such as Japanese or Chinese, and to understand their silent language or culture. Culture is primarily a system for creating, sending, sorting and processing information. The world of communication is divided into three parts: first, words, which are the medium of business, politics and diplomacy; secondly, material things, which are usually indicators of status and power; and, thirdly, the fact that behaviour provides feedback to others on how others feel and includes techniques for avoiding confrontation.

In learning about different cultures, we need to increase the awareness of the whole non-verbal side of communication. It is more important to release the right response than to send the right message. Two examples of how information can be sent are in terms of speed and context. In speed, we can send fast or slow messages: fast messages are by prose, headlines, propaganda, TV commercials, and ideologies. Slow messages are by poetry, books, ambassadors, art, TV documentaries and culture. A fast message sent to people who are geared to a slow format will usually miss the target.

The concept of context is interesting. Context is information that surrounds the event. The elements that combine to produce a given meaning—events and context—are in different proportions, depending on the culture. It is possible to order the cultures of the world on a scale of a high or a low context. E. Hall writes this of context:

> A high context communication or message is one in which most of the information is already in the person, while very little is in the coded, explicit, transmitted part of the message. A low context communication is just the opposite, that is, the mass of the information is vested in the explicit code. Twins who have grown up together can and do communicate more economically (that is, they communicate to high context) than two lawyers in a courtroom during a trial (in low context), a mathematician programming a computer, two politicians drafting legislation, or two administrators writing a regulation.

So it is in doing business; for, to be successful, we must be aware of these cultural differences.

In closing, although we all hope for and dream of a bright new future, at present our economy is in shambles and we are in difficult and deteriorating circumstances. Kipling's 'If' is appropriate in this environment:

If you can keep your head when all about you are losing theirs and blaming it on you,
If you can trust yourself when all men doubt you, but make allowance for their doubting too;
If you can wait and not be tired by waiting, or being lied about, don't deal in lies,
Or being hated don't give way to hating, and yet don't look too good, nor talk too wise:
If you can dream—and not make dreams your master;
If you can think—and not make thoughts your aim,
If you can meet with Triumph and Disaster and treat those two impostors just the same;
If you can bear to hear the truth you've spoken twisted by knaves to make a trap for fools,
Or watch the things you gave your life to, broken, and stoop and build 'em up with worn-out tools:
If you can make one heap of all your winnings and risk it on one turn of pitch-and-toss,
And lose, and start again at your beginnings and never breathe a word about your loss;
If you can force your heart and nerve and sinew to serve your turn long after they are gone,
And so hold on when there is nothing in you except the Will which says to them: 'Hold on!'
If you can talk with crowds and keep your virtue, or walk with Kings—nor lose the common touch,
If neither foes nor loving friends can hurt you, if all men count with you, but none too much;
If you can fill the unforgiving minute with sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it, and—which is more—you'll be a Man, my son!

I am sure that Kipling's use of the male gender can be excused here. I support the second reading of the Appropriation Bill.

The Hon. J.C. BURDETT: I support the second reading of this Bill. This budget is what I would call a loser's budget. The State is millions of dollars down the drain over the State Bank debacle caused by the ineptitude and irresponsibility of the Government. Scrimber, SGIC and other evidence of incompetence are also there. The Government has made noises in the area of containment of costs. In view of the Government's past performance, I do not think anyone believes that it will be effective in cutting costs, except in the direction of service delivery, particularly to the disadvantaged, welfare, health, education and other areas.

The budget has promised no increased taxes in most areas, except inflation, although we have the highly dubious water rate charging system already imposed on us.

How will the Government cater for the horrendous cost of pumping funds in to prop up the State Bank, a figure which is blowing out all the time, without increasing State taxes?

How will the Government cope with the interest charges on the ever-increasing public debt in this State? The Government is not intending to raise significant extra income, but it has to cope with an enormously increased expenditure and State debt.

The answer is inescapable. Mr Bannon and the Government intend to impose this enormous burden on our children and our children's children. That is why I say that this is a loser's budget. Mr Bannon does not want to accept the responsibility, but he wants to try to salvage any slight hope that he may have of winning the next election by procrastinating and sending the issue away for the present so that future generations, to whom he will not be responsible, will have to bear the brunt of funding it.

There is one specific matter which I propose to address, and that is the annual report of the Casino Supervisory Authority. Section 20 (1) of the Casino Act provides:

The Commission—
(a) shall cause proper accounts to be kept of gross gambling revenue and net gambling revenue for each month in relation to the licensed casino;
and
(b) shall ensure that the accounts are kept and preserved in accordance with all written directions given to it by the Minister.

Section 20 (2) provides:

The Minister may at any time, and shall, at least once in each year, cause the accounts kept in subsection (1) to be audited by the Auditor-General.

Section 24 (1) makes it clear that copies of the audited accounts must be included in the annual report. The current report, which is the sixth such report (and they have all been in the same form) simply sets out the gross gambling revenue and the net gambling revenue. It simply states the amounts. It is certified by the Auditor-General, and I have no doubt that it is correct because of that certification. But in my view that clearly does not comply with section 20 (1), which requires proper accounts—not a statement—to be kept and to be included in the report. A mere statement of the gross gambling revenue and the net gambling revenue for each month is not proper accounting.

My understanding of the term 'proper accounting' is not just a bald statement, but details showing, I suggest, on the one hand, the various categories of gambling income and, on the other hand, details of the various categories of prizes to arrive at the net gambling revenue. The net gambling revenue is approximately one-fifth of the gross gambling revenue in this particular report, so four-fifths of the gross gambling revenue is eaten up in prizes. I am not criticising that, but I believe that the public is entitled to know the details. The terms 'gross gambling revenue' and 'net gambling revenue' are defined.

The statement appended to the report merely sets out the 12 months of the year, the gross gambling revenue in respect of each month and the net gambling revenue in respect of each month—a total of 36 items. Each column for the net gambling revenue and the gross gambling revenue is totalled at the bottom. An asterisk against the total for net gambling revenue says that that is what it indicates, and that is in fact $86 605 000. The footnote to the asterisk says that this figure represents the Casino's net profit from gambling.

I cannot accept that this constitutes proper accounting. It is a bald statement. With all the hoo-ha which was raised when the Casino Bill went through Parliament about the benefit to the State and to charities, this is peanuts against the State Bank loss. I note that the Act does not require any accounting for non-gambling revenue (for example, the sale of food and drink; nor was it provided) or for the costs of the gambling operation of the Casino itself.

I note that, pursuant to section 20 (5), not less than 1 per cent of a net gambling revenue, in this case, $866 050, is to be paid into the Housing Improvement Fund, and the balance into general revenue. The matters I have raised are therefore eminently appropriate in speaking on this Bill, because it does deal with an amount that is to be paid into general revenue. Section 20 (1) *(b)* provides that the commission shall ensure that the accounts are kept in accordance with all written directions given to it by the Minister. This in itself by implication acknowledges that there is more to it than just stating the bare net and gross sums as defined in the accounts, otherwise there would not be any need for the Minister to give directions. I would ask the Minister to indicate in his reply to this debate whether he has given

any directions in the eight years of operation and, if so, what they were.

Clause 20 (5) is curious; as I have said, it provides that not less than 1 per cent of the net gambling revenue must be paid to the Housing Improvement Fund, and then follows the odd provision that the balance of those moneys (if any) must be paid into general revenue. What a curious provision: the balance, if any, after providing for 1 per cent. The balance will not be 'if any' it will be 99 per cent of the net gambling revenue. I do not understand this. Is it perhaps contemplated that other operating expenses are to be taken into account first? It does not say so. I support the second reading.

The Hon. L.H. DAVIS: I also wish to support the second reading. The 1991-92 Appropriation Bill is a document tinged with sadness, because in South Australia in the past 12 months we have witnessed the destruction of the State's financial base. The massive problems associated with the State Bank of South Australia and SGIC have left this Government with no option but to increase by 50 per cent the borrowing program in a single year, and at one stroke it has revealed the ineptitude of its financial management. With State Bank losses totalling $2.2 billion, with perhaps more to be revealed in the coming months, we know that this State is committed to a recurring figure of $220 million a year in interest alone to cover the costs of the State Bank demise.

When we recognise that the recurrent expenditure in the 1991-92 budget is $6.2 million ($5.2 million in consolidated account payments and another $1 million outside those figures) we can see that the interest alone on the State Bank accounts for 4 per cent of consolidated account payments in this current financial year. The Government has had no option but to maintain its record as the taxation kings of State politics in Australia and also, as I have said, to increase its borrowings massively by some 50 per cent in a single year. To put the Bannon Government's record in State taxation in perspective, it should be recognised that in the 1990-91 budget it budgeted for an 18.6 per cent increase in State taxation receipts, and that was three times the rate of inflation. In this current year of 1991-92 it has budgeted for an 11.6 per cent increase in the rate of State taxation and again, given the diminution of the rate of inflation, that is three times the expected inflation level in the current year.

At a later stage we will be debating one of those particularly savage increases in State taxation, namely, land tax. Any buildings over $1 million in value will incur increases in land tax ranging from 13 per cent to 21 per cent this year, notwithstanding the fact that site values on which land tax is based have collapsed by as much as 25 or 30 per cent, following the savaging of property values in South Australia. So, it is a sad event to be recognising publicly the financial dilemma in which we find ourselves in South Australia. The telephone book numbers of the State Bank collapse are still not properly recognised by the people of South Australia. When we talk about $2 200 million, we are talking about the second largest corporate collapse in Australia's history. The largest collapse belongs to the Alan Bond empire. So, John Bannon is right up there with the Bonds and the Skases. He has his own claim to fame, namely, the State Bank's $2 200 million.

Whilst SGIC is not directly part of the budget papers, it is relevant to note that, through the Treasurer's negligence, given that he has direct oversight of its activities and investments, the SGIC will not be making any contribution to South Australia's coffers for years to come. That is evident even to a first year accountant—even to a failed first year accountant. The fact is that 333 Collins Street, which is now on the SGIC's books at a cost of $465 million, representing approximately a third of its current assets, will be costing the SGIC and ultimately the taxpayers of South Australia a cool $1 million a week in interest; $54 million in interest in a full year, with a puny income stream of $6 million offsetting that huge interest bill.

That extraordinary, reckless and stupid investment together with the Government's investment in the Scrimber operation and in a string of empty properties around Adelaide, a $10.5 million write-off on a radio station and a $7 million write-off on a health investment is a catalogue of disaster which makes me weep. I cannot believe how quickly John Bannon's South Australia has been brought to its knees through the financial mismanagement of this Government. Quite clearly, John Bannon is a financial pussycat who lacks courage and leadership in big economic issues such as microeconomic reform. Where is he when we are dealing with matters of such great moment as the reform of our electricity system, given that ETSA is arguably the most inefficient and most expensive power authority in Australia today? Where is John Bannon when we talk about waterfront reform?

The Hon. Barbara Wiese: At the forefront.

The Hon. L.H. DAVIS: At the forefront of the waterfront? Where is John Bannon in terms of effective and efficient Government management of its commercial enterprise? In the forefront? I would say limping along in the rear. Where is John Bannon in the matter of privatisation (or, if the other side prefers, commercialisation) because there is no doubt that Australia not only lags the world in recognising that it is not the Government's role to pick winners but also that government should not be in the marketplace competing against the private sector, which can do it more effectively and efficiently. Australia is not only lagging the world in privatisation but, more especially, the Hon. John Bannon is lagging Australia. In Queensland and Western Australia Labor Governments have privatised prisons and power stations, and the socialist left Premier of Victoria, Mrs Joan Kirner, is flogging off her forests. Where is the Hon. John Bannon in this? His Minister of Correctional Services, the Hon. Frank Blevins, also has said only recently that no South Australian prison will be privatised while he is around. In fact, the same Frank Blevins also has said that we should not have less government activity in the economy: we should have more. He is a disciple of nationalisation, walking bravely against the economic winds howling all around him.

What do we see in this budget of despair in 1991-92? I want to focus on two of my shadow portfolio areas: housing and construction and forests. I give notice to the Minister on the front bench in the Committee stage I expect officers of the Department of Housing and Construction (otherwise known as SACON) and also officers from the Department of Woods and Forests and the South Australian Timber Corporation to be available. I hope that the Minister has taken note of that request, that I expect officers to be available for the Committee stage of this important Appropriation Bill debate so that they can be fully examined on the budget Estimates and, more particularly, on some of the inadequacies which are so manifest in, for example, the Auditor-General's Report. That report under the heading 'Department of Housing and Construction, Audit Findings and Comments' (page 110) states:

> During the course of this year's audit, a number of operational problems with the interim Financial Management System became evident, including system inefficiencies and clerical procedural problems. These matters were referred to the department in the

course of the audit. As referred to below, the system inefficiencies have contributed to the difficulties experienced by the department in preparing this year's financial statements.

The department has since advised that it plans to replace the Financial Management System with an integrated system operating on a relational database.

It promises to do something about it. However, some questions should be asked about that. What does the Auditor-General say under the heading 'Financial Accountability', remembering that he is a mild-mannered public servant who uses the language of Clark Kent emerging from the telephone box fighting for truth and light and not using strong language? But, what did he say? It is not the sort of language that would characterise the Prime Minister or perhaps his erstwhile successor.

The Hon. T.G. Roberts: Is that kryptonite in your hand?

The Hon. L.H. DAVIS: No, I think Mr Dunnery has kryptonite in his hand. I will quote from the mild mannered Auditor-General as follows:

In last year's report, I expressed my concern at the extent to which my officers continue to become involved in the preparation of agency financial statements. The Department of Housing and Construction is no exception. Considerable effort was required of my officers this and last year, to enable the completion of the financial statements of the department, in particular, for those of the Office of Government Employee Housing. This was despite continued assurances from the department over the past few years that there would be timely preparation of the necessary financial statements.

That is a direct quote from the Auditor-General. Let me put it in more earthy language.

Members interjecting:

The ACTING PRESIDENT: Order!

The Hon. L. H. DAVIS: The Auditor-General was saying that the Department of Housing and Construction's financial officers needed to be assisted in the preparation of their financial statements—that they were unable to do it without the help of the officers of the Auditor-General's Department. Imagine, if you will, on reading, in the Annual Report of the South Australian Brewing Company or Santos, that there were some delays in the preparation of the accounts because the auditor had to assist the financial officers prepare the financial statements. What an incredible indictment of the capacity of those persons in the Department of Housing and Construction. What a scandal that the Auditor-General actually had to hold their financial pen in his hand and complete their accounts. But I have not finished. To quote again from the Auditor-General (and this is in raised type as it is particularly important):

In addition, the Office Accommodation Division—

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: I would not have thought that the Hon. Ron Roberts would be game to raise his head in view of these extraordinary comments.

The Hon. R.R. Roberts: I wouldn't if I had one like yours.

The Hon. L.H. DAVIS: At least I haven't got two. The Auditor-General states:

In addition, the Office Accommodation Division was unable to complete their accounts in time for inclusion in this report. Further comment on this matter is contained later in this report.

In other words, they were simply not able to do it in time. It goes on to state:

While additional difficulties were experienced this year with the information provided by the department's financial management system, it is evident that financial accountability and management considerations may not be accorded the importance they should command in the management process.

A further illustration of this is that, despite beginning operation on 1 July 1990, no financial statements have been presented to audit for the following business units:

- Aboriginal works;
- Security; and
- Maintenance and construction.

The units were created by the department as part of a three year program to adopt accrual accounting and compete with the private sector, on a commercial basis, for works and services required by Government agencies.

Further to my comments on management information systems and financial accountability, I stress the importance of the need for not only efficient and effective management information systems, but also competent, qualified staff with practical experience to support and drive the program within each business unit.

Here we have the gung-ho Department of Housing and Construction flexing its commercial muscles and saying that it is out there competing in the real world on a level playing field with the private sector, yet it cannot write its own accounts without the Auditor-General holding its hand and, in some cases, has not even been able to present its financial statements.

Is that not an extraordinary indictment of the Department of Housing and Construction which, we are now told, is competing on a level playing field? It will be playing with its own ball if that is the best it can do. There are then some comments about asset registers, that problems are associated with the accuracy of the asset registers, and so it goes on.

The least one would have expected is that, as business units were introduced into the department, as it took on this brave new world of actually pretending it was as efficient as the private sector, it would match it in practice and, if it wants to be in the commercial arena, it would have its financial statements produced on time. Arguably, page 110 is as critical of any Government agency as the rest of the 550 pages contained in the Auditor-General's Report. What a scandal! It is breathtaking stuff.

One has to ask, what about these management information systems that were introduced in 1988-89? What are the problems? Why has the department been so slow in addressing them? This obvious defect in management in SACON is so typical of this department that no-one owns the problem; it is always the problem of someone else, and I am just staggered at the strength of the Auditor-General's statements.

They show clearly that there are enormous problems. I am told by persons deep within SACON that the asset register lists buildings which no longer exist or which have been replaced. That is how this Government operates—it is a fiction. It has fictions listed on its asset register. This is breathtaking stuff.

Do members still wonder why the State Bank crisis occurred? There is no need to wonder any more once we read these reports. I turn to the Woods and Forests Department. If ever the Government has lost its way through the woods, it is shown in the latest saga of the department and the South Australian Timber Corporation.

The Hon. J.C. Irwin interjecting:

The Hon. L.H. DAVIS: The Hon. John Klunder can lay claim to a record: there are not too many Ministers of this Government or Governments anywhere in Australia, if not the world, who can claim that in their last 12 months as Minister they closed down four of seven commercial operations because they were failures. That is *Guinness Book of Records* stuff. It is wonderful. Of course, it was no one's problem: it was not the Hon. Mr Bannon's problem, because he was too busy looking somewhere else, and it was not the Hon. John Klunder's problem, because he, too, has lost his way in the woods. It is never anyone's problem.

We have the $60 million loss in Scrimber, involving $30 million loss by the South Australian Timber Corporation and the $30 million loss by SGIC. Then we had the $14 million loss at the Greymouth Plywood Mill in a cool five years and the $1.5 million fiasco at Williamstown, as well as the closure of the Scrimber operation in New South Wales

where the warehouse remained empty, unloved and unused, for 18 months while waiting for the scrimber products that never came—and at a cost of $250 000. Those are just examples of a Government that does not understand the meaning of the word 'business'.

Let me draw to the attention of the Council some of the facts concerning the Woods and Forests Department. It reported a profit of $77.5 million—it looks terrific—on forestry operations and a loss of $4.5 million on timber products. Of course, what it does not take into account is the fact that it did not allocate expenses of $13.6 million—that is just too hard. Sure, the department has a commercial operation, so it says, but unlike the rest of the commercial sector—the BHPs, the SA Brewings, the Santoses, and so on—which actually allocate expenses between their various profit centres, the Woods and Forests Department is totally unable to do so. It says that it has recorded a profit of $77.5 million for the forestry operations and a $4.5 million loss for timber products, but these results do not take into account the unallocated expenses of $13.6 million. That is too hard and it just leaves those expenses floating.

So, it deducts $13.6 million, but let me tell the Council something else that Woods and Forests Department has done. It has a practice of including in its revenue statement, for the purpose of profit, the annual increment of the growing timber. For the year just ended the department included $60.5 million of growing timber. While there is some acceptance in accounting circles of this practice, I will put it into perspective. The Woods and Forests Department has revalued its timber—mainly in the South-East—from $352.5 million at 1 July 1986 through to $381 million at 30 June 1987 to $386 million at 30 June 1988 to $427 555 000 at 30 June 1989 to $463 019 000 at 30 June 1990 and, finally, as at 30 June 1991 it had increased it to $527 490 000.

The Hon. J.C. Burdett: It's like a piece of string.

The Hon. L.H. DAVIS: That is right, and how long is the piece of string? So, over the past three years the department has increased the value of the forest by 10.5 per cent in 1988-89, by 9.3 per cent in 1989-90 and by massive 14.3 per cent in 1990-91.

The Hon. R.J. Ritson: Accountancy is a black art.

The Hon. L.H. DAVIS: Well, accountancy is a black art, and it is a speciality when it comes to the Woods and Forests Department.

[Sitting suspended from 5.58 to 7.45 p.m.]

The Hon. L.H. DAVIS: Before the adjournment, I was discussing the Alice in Wonderland accounts of the Woods and Forests Department. I had made the point that, although the department recorded a profit of $77.5 million on its forestry operations and a loss of $4.5 million on its timber products, netting a profit of $73 million, it had not allocated expenses of $13.6 million, on the grounds that it was simply too difficult to do so, even though, presumably, all other Government commercial enterprises do achieve what is a not too difficult task and, most certainly, all public and private companies perform that—

The Hon. T. Crothers: Britain is going very well after having divested herself of a lot of Government enterprises.

The Hon. L.H. DAVIS: The Hon. Trevor Crothers has strayed across to the other side of the world, to the Northern Hemisphere. This comes as no surprise, because anyone in Government would want to be as far away from Government in South Australia as they possibly could be. The Hon. Trevor Crothers asks, 'What about Government enterprises in England?' Well, what about them? If the Hon. Trevor Crothers could match his hot wind with facts he would find that Margaret Thatcher's privatisation program has certainly worked to the benefit of those companies that have been privatised. A large number of them have been turned from loss-making situations to very profitable situations.

The Hon. T. Crothers interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: The productivity of the work force in England and the efficiency and effectiveness of those privatised operations would leave even the Hon. Trevor Crothers gasping for breath. Let us resume the battle with Woods and Forests before Mr Crothers gets further lost in the woods.

The Hon. T. Crothers: You are well cast for that because you can't see beyond all the trees.

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

The Hon. L.H. DAVIS: The fact is that the Woods and Forests Department is quite unable to allocate $13.6 million in expenses. Admittedly, $8.3 million of that amount is interest, but the department is still unable to allocate those expenses to its two chief profit centres: forestry operations and timber products. It is not able to allocate those expenses to its community service obligations—it distorts the bottom line.

Furthermore, as I have said, the department has continued the practice of allocating its annual increment of the growing timber revaluation not just to the balance sheet but also to the profit and loss account, with the result that, over the past five years, we have seen a revaluation of about $200 million, which of course means that profit has been distorted to that amount. I do not query the practice *per se* of revaluing forests, although certainly in the earlier years the Auditor-General was very critical of that approach saying that it was out of line with accounting practice. Certainly, there have been some changes in accounting practice in the intervening years, but the point I make, with some force, is that the magnitude of the revaluation is significant. As I mentioned before the dinner break, there have been increases of 10.5 per cent, 9.3 per cent and 14.3 per cent, respectively, in the past three years, to the point where the Woods and Forests Department has placed a value of $527 million on its timber.

It is interesting to contrast that with the annual report of the South Australian Government Financing Authority for the year ended 30 June 1991, and that is one of the important documents associated with the Appropriation Bill. At pages 23 and 41 we can see a big discrepancy in the valuation of the forests by SAFA as distinct from the valuation placed on them by the Woods and Forests Department. On page 23 it states:

> As at 30 June 1990, SAFA held 100 per cent equity interests in SATCO and the Woods and Forests Department valued at $29.3 million and $347 million respectively. During 1990-91, SAFA advanced an additional $16.1 million by way of equity funds to SATCO in relation to the Scrimber project and to enable repayment of redeemable preference shares issued by SATCO's New Zealand subsidiary, International Panel and Lumber (New Zealand) Ltd [IPL (NZ)] which was subsequently sold by SATCO in January 1991. The disposal of IPL (NZ) together with weak trading conditions and the decision announced by the Minister of Forests to cease further Government funding of Scrimber and to seek a private sector company to take over the project have combined to impact adversely on the valuation of SATCO as at 30 June 1991. This has resulted in an overall downward adjustment of $36.4 million to $9 million as at 30 June 1991. The valuation is based on the estimated after-tax future maintainable earnings of each operating division of SATCO.

The point I made earlier in relation to another motion on the Notice Paper is that, without an injection of funds from SAFA, SATCO would certainly have been bankrupt, as one

would have expected of a company which has closed four of its seven commercial trading operations, being left with a shell of what it had in 1990. It was left with IPL Nangwarry, making panel board and plywood and LVL; a timber operation at Mount Gambier—MGPI Trading; and, finally, the Rolls-Royce of warehouses in Australia at Laverton where the product is stored for distribution in Victoria at a cost which is multiple times more expensive than would be the case with private sector competitors. More to the point, I quote again from page 23 of the SAFA annual report:

> The valuation of the Woods and Forests Department as at 30 June 1991 reflects the difficult trading conditions for timber products during 1990-91. The valuation obtained for the department as at 30 June 1991 is $343.4 million. The department was valued on an after-tax basis, as any earnings available to SAFA are after the equivalent of company income tax has been paid to the South Australian Government. The change in the value of the investments in SATCO and the Woods and Forests Department has been accounted for through Asset Revaluation Reserve. The significant downward valuations required in 1990-91 were greater than the value of the increments in the Reserve relating to this class of asset. The deficiency in available increments required that $8.1 million be accounted for as an expense, which has reduced the SAFA surplus.

On page 43, in a schedule relating to the loans and capital provided to semi-government authorities, they confirm that the Woods and Forests Department, based on a value by independent experts conducted in July 1991, has been revalued from $347 million down to $343.4 million. That is their 100 per cent equity interest in Woods and Forests and the South Australian Timber Corporation, again on independent valuation, downgraded from $29.3 million to $9 million.

So, there has been a devaluation of $3.6 million in the Woods and Forests Department as at 30 June 1991, and a $36.4 million devaluation of the 100 per cent equity of SAFA in the South Australian Timber Corporation. In fact, the combined devaluation of $40 million exceeds the increments standing to the credit of this class of asset by $31.9 million, resulting in $8.1 million being accounted for as an expense.

I do not know what the answer is, but in Committee I will be asking that the Woods and Forests Department reconcile the difference in the valuation approach of SAFA, which has presumably valued the Woods and Forests Department and the South Australian Timber Corporation as going concerns, and that of the Woods and Forests Department on its own operations.

Although only one line is allocated to the Small Business Corporation, and a very small amount of money—just over $1 million—is allocated to small business, as the Minister would well know the majority of firms in South Australia—some 95 per cent of them—are small business operators. Fifty per cent of private sector employment is in small business, which is defined as having fewer than 20 employees or, in the case of a manufacturing business, fewer than 100 employees. I find it incomprehensible, unacceptable and quite disgraceful that the budget documents contain no reference to small business.

For the Minister, as she has done on more than one occasion, to have the gall to stand up and say that the 1991-92 budget had a special focus on micro-economic reform and assistance for small business is both breathtaking and misleading. It is breathtaking because there is no evidence whatsoever of any such proposition on reading the budget documents; it is purely misleading because there are so many measures in the budget documents which clearly are calculated to destroy small business. One of those measures, which we will be debating in a short while, is land tax. One can take examples of large buildings, particularly shopping centres, and see that the very cunning two line adjustment to land tax, which is buried in the budget documents, could mean that some small businesses and retailers in areas such as Unley, Glenelg, Norwood and Adelaide itself will be paying 20 per cent more this year than they paid last year, notwithstanding the fact that there may well have been effectively a 20 per cent or 30 per cent devaluation in the market value of that building.

This Government wins not only on the swings but on the roundabouts as well. It is not good enough for the Government to rip off small business in the boom times when property values escalated and the annual review of site values on which land tax is based skyrocketed dramatically: it wants to rip them off in the bad times as well. I have examples, which I will instance in a debate in a little while, of small businesses that do not yet know that they are facing the prospect of a 20 per cent or even 30 per cent increase in land tax in 1991-92. I find that immoral and quite disgraceful. This is another example of the State Bank fiasco coming home to roost.

Who will be the victim? It will be the small businesses of South Australia because, if one were honest (and that is not a word that is readily associated with this Government) one could see that the 25 per cent to 30 per cent devaluation in central business district values, strip shopping values and other business enterprises such as factories, warehouses or whatever, should have led to a fall off in the land tax collection for the Bannon Government during 1991-92. In fact, however, it has maintained its land tax collection during 1991-92, and it has done that by increasing the rate of land tax taken from thousands of small businesses. In fact, the owners of more than 11 000 buildings worth in excess of $1 million will be punished by this increase in land tax, which will range from 13 per cent to a maximum of 21 per cent.

If that were not enough, we have a Government that is so weak-kneed and so subservient to the union movement that it is frozen in fear of altering the WorkCover legislation of South Australia. Only the other day I had discussions with a major business house in South Australia that is effectively paying $500 000 a year more in WorkCover than it would be paying if it were located in New South Wales, Western Australia or Queensland. It is paying more than 7 per cent when it could be paying 2 per cent if it were located somewhere else.

There are many examples like that. When we think about $500 000 a year or $10 000 a week, we realise the impact that that is having on business—on its profitability and on its potential to employ more people. That figure of $500 000 represents 15 jobs, and that is exactly how that company is approaching this problem. The reluctance, weakness and gutlessness of this Government in approaching WorkCover reform is something that I am ashamed of. As the Hon. Terry Roberts said earlier, certainly, I am on a committee representing this Chamber on this important matter, but the sluggishness of the Government—

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: On the gallows? Many more people would be swinging before I would, and I would think that after what the members of the Labor Party have done to the economy they would be for the electric chair, but that would be a problem, because the cost of electricity in South Australia is far too high. We would not be able to afford it.

So, with those brief remarks I conclude my observations on the Appropriation Bill, but I remind the Minister on duty that I would like officers from the Department of Housing and Construction, SACON, the South Australian Timber Corporation and the Department of Woods and

Forests to be present during the debate in the important committee stage of this Appropriation Bill.

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

LAND TAX (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 16 October. Page 1150.)

The Hon. L.H. DAVIS: The Opposition views with concern this amendment to land tax legislation. I have indicated already its financial impact on the small businesses of South Australia. The purpose of this measure is to adjust the land tax take for all buildings with a value in excess of $1 million. The Act is amended by striking out from the table in section 3 (1) 'plus $1.90' and substituting 'plus $2.30'. The impact of that is as follows: the land tax calculation for a building of $1 million or more is $11 270 plus $2.30 per $100. That is what is proposed in this legislation instead of what currently exists, namely, $11 270 plus $1.90 per $100 in excess of $1 million.

This Act is retrospective: it came into operation at midnight on 30 June 1991. This budget document was introduced into the Parliament at the end of August, so there are two months of retrospectivity, which small business people and land owners did not know about. In other words, it means that a building worth $2 million will now require land tax of $34 270, instead of $30 270, an increase of 13.2 per cent. A building worth $20 million will now have an annual land tax take of $448 270 as against $372 270, an increase of 20.4 per cent.

We are talking here of the site value of buildings. Assuming the site value remains unchanged at $50 million, the land tax to be paid will leap from $942 270 to $1 138 270, an increase of nearly $200 000 or 20.8 per cent. With the $100 million, the increase in land tax is 20.9 per cent. Land tax soars from $1 892 270 to $2 288 270. The final example I have taken, which could well be the example of Remm, is that of a site value of $400 million. On the old scale, the land tax is $7.6 million, and it is now $9.2 million, an increase of over 21 per cent.

Let me add a caveat to what I have just said. I assume that there is no change in site values between 1990-91 and 1991-92. The Valuer-General adjusts site values annually and, of course, that reflects sales in the area and the economic conditions of the time. I do not envy for one moment the Valuer-General's task. But the fact is that some buildings in South Australia have increased in value, notwithstanding the extraordinary demise of property values. For example, the IMFC building, at 33 King William Street, which had a site value of $5.37 million in 1990-91, has actually increased in site value to $6 085 000. The land tax payable on that building has soared from $94 300 to $128 285, an increase of $34 000, or a 36 per cent increase in land tax. There is a real live example. That is the impact of this Government's measure on land tax: a 36 per cent increase in land tax payable by the owners of IMFC House.

One could look at many examples—and I will not do that tonight—but it makes a mockery of what was contained in the budget papers. I would never like to misrepresent this Government. It is not possible to misrepresent the Government because the facts always speak for themselves, and they are always damning facts against the Government. In particular, the Budget Speech delivered by the Treasurer, the Hon. John Bannon, on 29 August 1991, states:

> In recent years land values in South Australia have increased rapidly. The Government's response has been either to adjust the land tax scale or introduce rebate arrangements in order to shield landowners from the full impact of rising land values. The cumulative value to taxpayers of these reductions and rebates would be well in excess of $100 million since 1986-87.

The Government does not mention the dramatic increase of land tax take for that period. The speech continues:

> Over successive years, however, there have been representations from industry and small business groups for the Government to smooth annual fluctuations in land tax receipts by linking revenue growth to CPI movements. Proposals of this kind were taken up most recently in submissions to the 1990 Land Tax Review.

Here comes the iron fist in the velvet glove—and it has spikes as well. The speech continues:

> The Government has decided to respond to these concerns by restricting land tax receipts in 1991-92 to the same nominal amount as was collected in 1990-91—that is, to an amount of $76 million, which is a reduction in real terms. This will be achieved through an adjustment in the top marginal rate of tax. For land ownerships where the site value is in excess of $1 million, the marginal rate will be increased from 1.9 per cent to 2.3 per cent on the excess above $1 million.

That is a remarkable statement: the Government is saying that it is responding to these concerns by restricting land tax receipts to the same nominal amount, but actually increasing the rate of the tax take for buildings above $1 million. However, if the Government had left the scales unchanged, the result would have been a reduction in the tax take of some $16 million or $17 million because that is what is happening in the real world—the real world in which the Ministers of the Crown in South Australia simply do not walk. Central business district values and metropolitan property values have reduced between 15 and 30 per cent and, in some cases, even more.

By adjusting the rate so savagely for buildings worth more than $1 million, we see that in every case, if site values remain unchanged, the land tax will increase by between 13 per cent and 21 per cent and, in cases such as IMFC House on the corner of Hindley and King William Streets (formerly known as Hooker House), the rate will increase by 34 per cent.

Another point is to be made. This Government does not seem to understand that simply because a building is worth millions of dollars, that does not mean that small business will not reside in that building. Many buildings, from office buildings in the city through to shops, factory and warehouse complexes, house small business. Take, for example, the shopping centre at Marion. I would take a calculated guess and say that it is worth around $100 million. If the site value has not been adjusted (and I do not have the answer to that), hundreds of shops in that complex will face an increase of 21 per cent in their land tax. Thousands and thousands of small businesses will be affected by this sneaky little change from this sneaky little Government.

Another point is to be made about this land tax change, namely, that the vacancy rate is running at 16 per cent and rising in office buildings in Adelaide. In other words, one floor in six in buildings in the central business district of Adelaide is empty. That figure is increasing as firms downsize in this recession that we had to have—the gospel according to St Paul Keating. Of course we have the problem that many of the landowners (and it may not only be institutions but also individuals who own buildings worth in excess of $1 million) are not only not receiving rent for their building but also are paying increases of between 13 per cent and 22 per cent land tax. So, it is a double whammy and is affecting people who own empty buildings, as well as small businesses in buildings worth more than $1 million.

We have a third leg to this horror Bill, this horror financial measure. Last year the Labor Party introduced a measure requiring land tax to be paid by landlords, by owners of buildings and not passed on to tenants in new leases being entered into from the date that the legislation came into effect. The majority of commercial leases still operate under the old system where the landlord passes on the land tax and other expenses to the tenant. In other words, that is part of the financial package entered into in what may be a one, three or five year lease.

Consider the implications of this latest change in the land tax scale. It means, quite arguably, that in big shopping complexes we will have a situation where tenants side by side in identical size shops will be paying different levels of rent and land tax. If they had entered into the lease arrangements before the changes were made to the rating system obliging landlords to pay the rates, that situation will continue to apply and they will wear the increases in the land tax. But in the shop next door, where a new tenant has just come in over the past few weeks and is obliged to comply with the requirements of the legislation, the landlord will be stuck with this increase in land tax.

As I read it, we will have an extraordinary situation of people paying different levels of rent and land tax combined. The situation is far from satisfactory. This measure has been introduced simply to raise revenue. It does not address land tax reform in any way. It is dressed up as if it is some wonderful measure designed for the benefit of landlords and tenants, but it is nothing of the sort. Clearly, it gives the Government of the day another $15 million or $16 million to go towards the $225 million that has to be found by hook or by crook (and it is mainly by crook) to pay off the interest on the State Bank borrowings. That stranglehold is one which all South Australian taxpayers will be gasping with for many years to come.

It is a terrible burden that this Government has inflicted on this and succeeding generations of taxpayers because, let us make no mistake, there is no way that the State Bank will be a profitable institution. In aggregate, if one joins the good and bad banks together, there is no way that the State Bank will be a profitable institution in our lifetime. Let us face facts: in its best year, in its boom year, the highest profit it ever made was $97 million. So, how quickly will we excise a debt of $2 200 million (to put it in language that people more easily understand), and that figure will grow even greater? I seek leave to continue my remarks later.

Leave granted; debate adjourned.

MARALINGA TJARUTJA LAND RIGHTS (ADDITIONAL LANDS) AMENDMENT BILL

(Second reading debate adjourned on motion.
(Continued from page 1276.)

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): I thank the Hon. Mr Dunn for his general support of the Bill, and I would like to respond to a query he raised as to the boundary of the Maralinga lands. The Hon. Mr Dunn suggested that, instead of following the dog fence, perhaps it should follow the longitude 133 line. The Government does not support that suggestion. As the Hon. Mr Dunn indicated, the current proposal is for the boundary to follow the boundary line of the Commonwealth Hill Pastoral Station until it reaches the dog fence, and then to follow the dog fence north. Wherever possible, the Lands Department tries to have boundaries identified by markers on the land, not by unidentifiable longitude lines. Experience indicates that following an established and identified boundary reduces confusion by landowners.

Nevertheless, the boundary is a properly surveyed boundary, which can be identified if at some time the fence should be moved. However, it is clearly identified by the fence at the moment and such an identifiable boundary on the ground is preferred by landowners. Furthermore, a very practical reason for using the Commonwealth Hill boundary is that if the longitude 133 line were used instead, a 700 metre strip of no-man's land would be created between the maralinga land and the Commonwealth Hill Pastoral Station. There would be a thin strip of unallotted Crown land between the pastoral station and the Maralinga lands, given that the boundary of the Commonwealth Hill station is the dog fence. It would seem impractical and rather untidy to have a small strip of unallotted Crown land 700 metres wide between the pastoral station and the Maralinga lands. For that reason, the Government, while appreciating the points the Hon. Mr Dunn raised, does not favour changing the boundary to the Maralinga lands as he suggested.

Bill read a second time.

MOTOR VEHICLES (REGISTRATION-ADMINISTRATION FEES) AMENDMENT BILL

In Committee.

Clauses 1 to 6 passed.

Clause 7—'Duty to grant registration.'

The Hon. DIANA LAIDLAW: I move:

Page 2, line 2—After 'amended' insert as follows:

(a) After line 4—Insert as follows:

(b) by inserting after paragraph *(b)* of subsection (1) the following paragraph:

(ba) in the case of a vehicle to be registered on payment of an administration fee—for a period of 3 years;

and

(c) by striking out from subsection (1a) 'or 12 months' and substituting ', 12 months or 3 years'.

Section 24 of the Motor Vehicles Act requires the Registrar to register a motor vehicle for a period of either six or 12 months or for a period at the option of the applicant that results in a common expiry period where the applicant owns a number of vehicles. My second amendment requires the Registrar to register a motor vehicle for a period of three years if the vehicle is to be registered on payment of an administration fee and if the owner of the vehicle wishes to have the vehicle registered for that period.

The amendment to subsection (1a) is consequential on my previous amendment and permits the Registrar to register a vehicle for less than the period prescribed in subsection (1), that is, for the balance of the term of registration where the owner cancels the registration but subsequently applies for re-registration before the day on which the registration would have expired had it not been cancelled.

This amendment was also moved in the other place after a rather fiery debate over procedural matters, because the member for Custance requested that the clause be reconsidered so that these amendments could be debated. From reading the debate in the other place, it appears that the Minister was prepared to look at the situation that the member for Custance was seeking to redress, that is, if an administration fee were to apply it could apply over a three-year period. The administration fee is meant to cover only certain set costs incurred by the Registrar in organising the registration of vehicles registered without payment of a fee. Of course, those administrative costs would be much less

if that vehicle could be registered without fee over a three-year period.

The Liberal Party is most dissatisfied with this Bill but, if it is to pass, we felt it was important that we tidy it up as best we could. I acknowledge that since I placed these amendments on file the Hon. Mr Gilfillan has voted against the second reading indicating that he will reject the whole Bill, a matter with which I have considerable sympathy.

The Hon. ANNE LEVY: The Government opposes these amendments. In considering them, it is necessary to remind ourselves that at the special Premiers conference in July this year the Premiers agreed to the establishment of a national scheme which would cover the registration, regulation and charges applicable to heavy vehicles, heavy vehicles being defined as those with a gross weight of over 4.5 tonnes. The question whether vehicles with a lower mass may also be included in the national scheme is currently under consideration.

The Hon. Diana Laidlaw: This uniform registration is horrific.

The Hon. ANNE LEVY: Following the special Premiers conference, a National Road Transport Commission working party was set up to consider all aspects regarding the establishment of a national scheme. The Premier has written to all Ministers requesting that we act to ensure that this State's interests as a whole are pursued in this matter.

As a result of the agreement by the Premiers, in consultation with the States and Territories, business rules have been drafted as a foundation for a uniform vehicle registration system for all States. One such business rule for the national scheme states that the maximum period of registration will be 12 months. At present, all States in Australia offer a maximum 12-month period for registration. No State or Territory departs from this 12-month period. With the pending national heavy vehicle registration scheme, it is undesirable for South Australia to depart from the agreed basis for the national scheme by being the only State to introduce at this stage a registration period of greater than 12 months for a specific category of vehicle. It would be departing from what applies in every other State. We are not in favour of introducing an extended period of registration at this time and possibly being required to revert to a maximum of 12 months at a later date as the national scheme is being implemented.

I reiterate that the States, with respect to periods of registration for vehicles, currently have similar systems. The changes suggested by the honourable member in her amendments would impede any moves towards uniformity and the harmony that presently exists. It is felt undesirable to depart from what is currently uniform between all States at the moment by introducing a possible three-year registration period.

The Hon. PETER DUNN: I think that the Minister is hoist on her own petard, because this is not a registration fee: it is an administration fee. It has nothing to do with registration. The Bill refers to an administration fee; it has nothing to do with registration. I cannot see why it should not be for a period of three years. If it is to administer the recording of those vehicles—

The Hon. Anne Levy: It states that a vehicle will be registered on payment of an administration fee for a period of three years.

The Hon. PETER DUNN: All right. It is an administration fee, as was stated in the second reading explanation, because it was deemed to be recording only those vehicles that were not used regularly on the roads. Therefore, I think that a three-year period for such vehicles is right. It does not affect anyone, other than the collectors of particular types of vehicles which are used not for daily transport but only for special occasions. Such people collect, exhibit and use them on rare occasions. Therefore, it is proper that the Government should record that those vehicles are in this State. To say that they cannot be registered, administered or recorded for a three year period is a bit difficult to understand.

All I can read into it is that the Government is trying to raise money. If the Government is trying to cut costs, as it implies it is trying to do, why not allow that to occur with this one administration fee for a longer period than 12 months? The cost of reviewing these vehicles—and I admit that there are quite a number of them—is fairly substantial. I suggest that staff, costs, computer time and so on could be cut by doing this once every three years. It is no different from registration of vehicles. At any time during a 12 month registration period the obligation is on the owner, if they sell the vehicle, to notify the Registrar within the specified time that that vehicle has been transferred. The same can apply with respect to this matter. For the life of me I cannot see why a three year period is not suitable for this administration fee.

The Hon. ANNE LEVY: I draw the honourable member's attention to the wording of the amendment, which provides 'in the case of a vehicle to be registered . . .'.

The Hon. Peter Dunn: Look at clause 7.

The Hon. ANNE LEVY: I am looking at the amendment moved by the Hon. Ms Laidlaw; that is what we are discussing. The amendment clearly provides:

> . . . in the case of a vehicle to be registered on payment of an administration fee—for a period of three years.

It is equivalent to registering the vehicle for three years on payment of the fee. It is this three year registration that is being opposed, in that it introduces something that exists for no other class of vehicle in no other State or Territory and it would be departing from what is currently a uniform national system, that no vehicle is registered for more than 12 months.

The Hon. Peter Dunn: Why are the words 'registration or administration fee' used in the Bill?

The Hon. ANNE LEVY: I did not word the amendment.

The Hon. Peter Dunn: But it is in the Bill.

The Hon. ANNE LEVY: We are discussing the amendment, not the Bill.

The Hon. DIANA LAIDLAW: The Liberal Party strongly supports the implementation of the principle of a national registration system. When that commitment was made by me and the Party in general, the terms of that agreement were not known. It is most unsatisfactory to think that terms that would cut administrative costs and perhaps make savings for owners of vehicles, either individuals or companies, would not be encouraged as part of micro-economic reform. That is essentially what this national registration system is to achieve in the longer term. But I merely make those comments in passing.

The Hon. I. GILFILLAN: I oppose the amendment.

Amendment negatived; clause passed.

Clause 8 passed.

Clause 9—'Registration without registration fee.'

The Hon. DIANA LAIDLAW: I move:

Page 2, lines 13 and 14—Leave out all words appearing after 'amended' and insert as follows:

(a) by striking out from subsection (1) 'without fee' and substituting 'without payment of a registration fee but on payment of an administration fee of the prescribed amount';

(b) by striking out paragraph *(j)* of subsection (1); and

(c) by inserting after subclause (1) the following subsection:

(1a) The Registrar must register without fee any motor vehicle owned by an accredited diplomatic officer or accredited consular officer *de carriere*, who is a national of the country which he or she represents and who resides in the State.

As I indicated in my second reading speech, currently 13 500 vehicles are registered in this State without fee. The Government proposes that only some 3 400 of those vehicles will attract an administration fee for the registration process, which attracts no registration fee.

The Liberal Party believes that this situation is most unsatisfactory and that it is the private sector vehicles, essentially, those owned by local councils, the CFS and the SES that will attract this administration fee. These vehicles are in most cases paid for by voluntary commitment in the community. We believe that we should be moving for all vehicles registered without fee to attract this administration charge, except those vehicles owned by an accredited diplomatic or consular office—as a class of vehicle.

There are certain international understandings not only that these vehicles will be registered without fee but that it is not appropriate that they attract an administration fee. In speaking to the amendment I am also speaking to the new clause that I shall seek to insert after line 14.

The Hon. ANNE LEVY: The Government opposes this amendment which, as I understand it, is amending the Act so that any future changes to exemptions can be effected only by way of an amendment to the Act and not by regulation.

The Hon. DIANA LAIDLAW: I do not think that that is the case at all. I am not sure how you reach that conclusion.

The Hon. ANNE LEVY: As I understand it, that would be the effect of the amendment. The Act currently refers to exemptions without fee and we wish to amend this (through clause 9) so that it can be an exemption without payment of a registration fee. The honourable member is proposing to take out 'without fee' and substitute 'without payment of a registration fee but on payment of an administration fee of the prescribed amount', and then making the exception for the diplomatic officer. My advice is that this is equivalent to saying that exemptions can only be brought in by amending the Act, not by regulation.

The Hon. Diana Laidlaw: Exemptions to all further categories of vehicles registered without fee?

The Hon. ANNE LEVY: Yes.

The Hon. Diana Laidlaw: We had that debate last year, and the Liberal Party remains of the view that it must be by Act and not by regulation.

The Hon. ANNE LEVY: That is the effect of the honourable member's amendment. The Government opposes this. While I appreciate the point that the honourable member is making, it will cause inconsistencies at the current time. At the moment, seven other exemptions are set out by regulation, and there are seven other exemptions for vehicles to be registered without a registration fee. These have been set out by regulation, not by the Act. The honourable member's amendment to section 31 would mean that there would be 12 categories of exemption that could be changed only by means of the Act, but that would leave the seven other categories that are currently provided for by regulation.

It would not cover all the possible exemptions, so the amendment would lead to a fairly anomalous situation in which some exemptions can be altered by regulation and others only by means of the Act. The Government is well aware that there are untidy aspects of the Act and its regulations at the moment, but the appropriate time to look at this untidiness is during the review of the Motor Vehicles Act that is currently being undertaken, and not by the amendment moved by the Hon. Ms Laidlaw, which will not achieve the aim of making exemptions alterable only by legislation but which will only partially achieve that aim and, consequently, will lead to a fairly untidy and messy situation.

The review is being undertaken at the moment, and it seems to me that this matter would be much better addressed in terms of that review and, when any legislation resulting from it comes before this Parliament, to deal with the whole question of exemptions and how they are to be determined at that time, rather than to address part of the question but not the whole topic now.

The Hon. DIANA LAIDLAW: I am aware that the honourable Minister is one of the more intelligent members of this place, so I can only suspect that, without reflecting on others, this amendment has not been fully understood, because the arguments that the Minister is presenting are arguments appropriate to the debate we had in this place in November last year. All I am seeking to do is ensure that all vehicles registered without fee, other than those owned by an accredited diplomatic officer or an accredited consular officer, can be subject to an administration charge.

The reason for doing this is simply to highlight the amazing anomalies in the proposal before us and the fact that the Government is prepared to charge an administration fee for some but not all vehicles registered without fee.

I do not move this amendment with any joy, pleasure or enthusiasm. The amendment is designed to show how stupid and unfair the Government's proposal is. I accept that the amendment may introduce an anomaly in terms of vehicles, which are provided for in the Act and the regulations, being registered without fee. However, the Minister and the Government itself are introducing anomalies with this Bill by saying that they will levy these administration fees only on some vehicles registered without fee and not all of them. I accept the Minister's criticism, but it is equally a valid criticism in relation to what the Government seeks to do. Perhaps the best course in this debate was that proposed by the Australian Democrats, who voted against the second reading and who did not even seek to do what I seek to do now, that is, highlight the inconsistencies, the untidiness, the anomalies and the unfairness of what the Government proposes to do with this Bill.

The Hon. ANNE LEVY: I do not wish to have an argument with the honourable member. However, the Bill does not contain the inconsistency suggested by the honourable member. The purpose of the administration fee is cost recovery—

The Hon. Diana Laidlaw: Only for some but not for others.

The Hon. ANNE LEVY: Let me finish. The purpose of this Bill is cost recovery by means of the administration fee, where that covers the cost. Some vehicles do not attract registration fee, and the cost of registering is very much less than the administration fee.

The Hon. Diana Laidlaw: But there's still a cost.

The Hon. ANNE LEVY: But the cost is very much less than the administration fee. The logic of the honourable member's argument would be to charge more than the cost of registration because some vehicles are registered without fee where the cost of registering is much less than the administration fee. This matter relates to the honourable member's next amendment, in relation to which I will argue that there are numerous Government vehicles for which no registration fee is charged and where the administrative cost is much less than the administration fee being suggested here. I reiterate: if we followed the honourable member's

argument, the fee would be more than cost recovery, and a charge would be made which was greater than the cost of the registration in those cases. I therefore oppose the amendment.

The Hon. DIANA LAIDLAW: With respect to the Minister's argument, neither the Bill nor my amendments set any fee in terms of the recovery of costs. The Minister's second reading explanation indicated that the Government believed that the cost recovery for the vehicles, which they had nominated for administrative charge, would be some $16.

I believe that, if that cost was less for some other types of vehicles, the Government would prescribe a lower cost. I do not suggest that any further costs would be recouped from the motor vehicle field than are already being imposed at quite an excessive rate by this Government. I will not pursue the issue further. The amendments were moved to highlight what a mess this issue is with respect to registration of vehicles with and without fee, a mess that is being reinforced by this Bill.

The Hon. I. GILFILLAN: I oppose the amendment.

Amendment negatived; clause passed.

New clause 9a—'Vehicles owned by the Crown.'

The Hon. DIANA LAIDLAW: I move:

Page 2, after line 14—Insert new clause as follows:

9a. Section 32 of the principal Act amended—

(a) by striking out from subsection (3) 'fee' twice occurring and substituting, in each case, 'registration fee';

and

(b) by inserting after subsection (3) the following subsection:

(4) Where the Treasurer decides that a vehicle owned by the Crown should be registered without payment of a registration fee, an administration fee of the prescribed amount is payable on an application to register the vehicle.

I spoke to this amendment when addressing the earlier amendment that was lost.

New clause negatived.

Remaining clauses (10 to 12) and title passed.

Bill reported without amendment; Committee's report adopted.

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

That this Bill be now read a third time.

The Hon. I. GILFILLAN: I oppose the third reading and will vote against it. I had some sympathy with some of the amendments but chose to oppose them on the basis that I felt that absolutely no good purpose was to be served in tinkering with the Bill. I am opposed to it in principle and regard it as a shoddy measure. I therefore unequivocally indicate opposition to it and indicate that I will vote that way on the third reading.

The Hon. DIANA LAIDLAW: For similar reasons as were outlined by the Hon. Mr Gilfillan, the Liberal Party will vote against the third reading. We do not accept this impost upon selective classes of vehicles, particularly vehicles with which there has been a great deal of voluntary community effort to ensure that the community benefits from access to those vehicles and that the vehicles are also operated by voluntary labour. This is a sign that the Government has little appreciation of the extraordinary effort on behalf of the wider community.

I find this measure absolutely unacceptable. We have moved some amendments that have not been accepted and, even if they had been, we would have voted against the third reading. I am pleased to see that the Democrats feel the same way and that this Bill will be defeated in this place.

The Hon. ANNE LEVY (Minister for the Arts and Cultural Heritage): In closing, it seems that members opposite are taking an extraordinary view. There are constant cries that Government must be efficient and that taxpayers' money must be looked after carefully. I thought there was general agreement about a user pays principle in many areas throughout Government. This is what the Bill does: it is charging not a large registration fee but merely what it costs to administer applications, the issue of a registration label, etc.

The fee of $16 is hardly a monumental fee but it is important in terms of the principle of user pays and Government efficiency so that, where costs are involved, the people responsible for the cost should be paying for it. It does not indicate in any way a lack of appreciation of the work of volunteers: their work is appreciated and recognised as such by not charging the normal registration fee.

There is this subsidy on the part of the taxpayer in not charging the registration fee, but it is not unreasonable to expect the user pays principle to apply for the cost to Government of having to administer the applications for these vehicles. There is no inconsistency whatsoever, and it is certainly a recognition of the value of the work done by these volunteers, in that they are not being charged the normal registration fee that all members and everyone else pays for registering our motor vehicles.

The Council divided on the third reading:

Ayes (7)—The Hons T. Crothers, M.S. Feleppa, Anne Levy (teller), Carolyn Pickles, T.G. Roberts, C.J. Sumner and G. Weatherill.

Noes (9)—The Hons J.C. Burdett, L.H. Davis, Peter Dunn, I. Gilfillan, K.T. Griffin, J.C. Irwin, Diana Laidlaw (teller), Bernice Pfitzner and R.J. Ritson.

Pairs—Ayes—The Hons. R.R. Roberts and Barbara Wiese. Noes—The Hons. M.J. Elliott and R.I. Lucas.

Majority of 2 for the Noes.

Third reading thus negatived.

STRATA TITLES (RESOLUTION OF DISPUTES) AMENDMENT BILL

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

The Hon. K.T. GRIFFIN: The Opposition opposes clause 3, which deals with the interpretation section of the principal Act and seeks to amend the definition of 'special resolution'. At present the special resolution is a resolution supported by two-thirds of the total number of votes and not, as proposed in the Bill, two-thirds of the total number of the votes cast by or on behalf of unit holders who exercise a vote at the meeting.

The point I made during the second reading debate is that there is provision for proxy voting. Special resolutions are required in a number of instances in the Bill, some for quite significant behaviour. I do not see a need to water down the special resolution requirements of the principal Act, so I oppose the clause.

The Hon. I. GILFILLAN: I oppose the clause.

The Hon. C.J. SUMNER: I think it is a pity. Opposition to this clause certainly disadvantages significantly people who live in strata title units, particularly the ordinary citizen. One of the most significant complaints that we receive under the legislation is that people cannot get resolutions passed at meetings of unit holders because two-thirds of the number of votes cast by or on behalf of unit holders is

required. So, if someone wants to put in an air-conditioner or make minor improvements to their property, they are not able to do so. It is a very common complaint, and it seems grossly unfair that the Opposition and the Democrats are combining to deprive people of their rights. But so be it: the arguments are set out in the second reading reply and there is not much I can do about it.

Clause negatived.

Clause 4 passed.

Clause 5—'Binding character of the articles.'

The Hon. K.T. GRIFFIN: I oppose this clause. Section 20 of the principal Act provides that the articles of a strata corporation are binding on the corporation and on the unit holders and, so far as they affect the use of units or the common property, on occupiers of units who are not unit holders. Subsection (3) provides that the 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 the breach of the articles and make any incidental or ancillary orders.

Notwithstanding the fact that jurisdiction is to be conferred upon the court through either a small claims court or at different levels of the court system, depending on which amendment is later supported, it is still helpful to have in section 20 a provision which specifically allows the court to make an order for enforcement of performance of the articles or to restrain a breach or to make any ancillary or incidental orders.

The Hon. I. GILFILLAN: The Democrats support the position of the Liberals and therefore oppose the deletion of subsection (3) of section 20 of the principal Act. My assessment of the wishes and reactions of the small people in these circumstances indicates that there is no widespread opposition to subsection (3).

The Hon. C.J. Sumner: What is your reason?

The Hon. I. GILFILLAN: Don't ask me the reason why. I just do and die.

The Hon. C.J. SUMNER: This is extraordinary. The Government brings in a Bill to give ordinary citizens who are unit holders access to the courts in a more effective manner than has existed hitherto. One of the complaints about the resolution of disputes amongst strata unit holders is that they have to go to the Supreme Court. Now the Hon. Mr Gilfillan is retaining the jurisdiction of the Supreme Court to hear cases, such as whether a unit holder has painted her door the wrong colour. It really is bizarre in the extreme.

The Hon. I. GILFILLAN: Just hold on. Would you mind deferring? One of the dilemmas here is the incredible haste with which this matter has been brought on. I apologise to you, Mr Chairman, for not being fully *au fait* with this amendment.

The Hon. C.J. Sumner: I assumed that you were ready.

The Hon. I. GILFILLAN: I apologise. Obviously we were not looking at the correct interpretation of clause 5. In those circumstances, I suggest that progress be reported.

Progress reported; Committee to sit again.

DANGEROUS SUBSTANCES (COST RECOVERY) AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The Dangerous Substances Act provides for the keeping, handling, packaging, conveyance, use, disposal and quality of toxic, corrosive, flammable or otherwise harmful substances. The Act places a duty of care on persons who undertake these activities and authorises certain actions to be taken by persons appointed as inspectors under the Act. Where action taken by an inspector incurs an expense to the Government, the Act empowers cost recovery of that expenditure.

However, dangerous substance spillages are subject to the Cabinet approved guideline 'Emergency Response to a Leakage/Spillage of a Dangerous Substance', which allocates control of the incident site to the Metropolitan Fire Service or Country Fire Service as appropriate in accordance with the legislation governing those bodies. The aforementioned emergency response plan also involves all relevant Government agencies and allocates responsibility for the provision of specialist advice, staff, equipment or materials to assist the fire service combat the emergency. Within this activity an inspector under the Dangerous Substances Act is not able to issue a directive in accordance with the powers currently established by the Act (because the fire service is in control), and accordingly the existing cost recovery powers in the Act cannot be applied.

In the past, cost recovery by Government for actions undertaken to combat a chemical spillage has not been undertaken to any significant extent, but in recent legislation examples of legislative provisions for cost recovery for actions initiated by Government agencies may be found, for example, the South Australian Metropolitan Fire Service Act. Although these initiatives will allow some agencies to recover their costs, there remains a number of agencies which do not have such a power and are unable to undertake cost recovery.

In the current economic climate it is essential that all persons and groups accept their responsibilities, and in this context industry can no longer expect the general community to bear the cost of emergency response to chemical incidents. Emergency services are funded from insurance levies for fire insurance but they have responsibility to respond to all forms of emergency. In respect to chemical spillages the diverse range of skills and knowledge within Government has proved to be an effective resource which provides the various expertise needed to ensure public safety in incident control, product containment and disposal, and to minimise environmental consequence. The staff of those agencies may participate within their primary role, or may act in an advisory role to the fire service to assist them undertake their duties. In both cases those persons must stop their planned activity or normal work to take part in an emergency, or to participate in a call-out roster for events which occur outside normal business hours.

Government expenditure occurs every time the emergency response plan is used. The proposed amendment to the Act provides a general power for all State Government and local government agencies to undertake cost recovery for expenditure resulting from a dangerous substances incident. This provision does not oblige any group to undertake such action if it is not appropriate under the circumstances, nor will the legislative provision of any other Act be affected, but it will give those agencies concerned the ability to apply the Government's policy on cost recovery.

It is important to understand the allocation of responsibility in this amendment and the deliberate avoidance of the concept of prosecution-based cost recovery. In many cases action based on identifying the persons who cause the

event leads to an individual or group who is unable to pay the clean-up cost, and in all cases if the cost recovery action is dependent on a prosecution extreme delays will occur, and some events for which there is insufficient evidence will be missed since no prosecution will be undertaken. Accordingly, the application of this amendment has been given a broad base in that the owner, person in charge and person who caused the event are jointly and separately responsible for the clean-up cost. It must be remembered that the Government may only recover reasonable costs and may only recover the cost once. Hence, if there is a dispute between, say, the owner and the transporter, and neither will cover the clean-up cost, then it is expected that the Crown will take them both to court for a ruling.

This amendment, to some extent, follows the common law applied to negligence, especially in relation to the application of principles of vicarious liability. However, cost recovery action will not be restricted to 'damages'. All relevant items can be addressed, ranging from the cost of neutralising material, heavy machinery and other equipment which may be purchased or hired, call-out of specialist advisers, chemical analysis of contaminated areas and ongoing monitoring for public safety or environmental evaluation. The potential cost for all these as a consequence of a major incident can easily run into millions of dollars. Fortunately this has not yet occurred in this State.

Clause 1 is formal.

Clause 2 provides for a new section relating to cost recovery. The provision will apply to any incident that is constituted of, or arises from, the escape of a dangerous substance, or the danger of such an escape, and that results in a Government authority (defined to include a council) incurring costs or expenses. The provision will allow the Government authority to recover those costs or expenses from the owner of the substance, the person who was in control or possession of the substance at the relevant time, or the person who actually caused the incident. Accordingly, the provision is based (to an extent) on a concept of strict liability. Furthermore, consistent with the principles of vicarious liability in negligence, an act or omission of an employee or agent will be taken to be an act or omission of the relevant employer or principal. However, such liability will not arise if the employee or agent has been guilty of serious and wilful misconduct. The provision will be in addition to any other right of recovery that exists under any other law (but double recovery will not be permitted).

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

POLLUTION OF WATERS BY OIL AND NOXIOUS SUBSTANCES (MISCELLANEOUS) AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The Pollution of Waters by Oil and Noxious Substances Act 1987 incorporates into State legislation Annexes I and II of the International Maritime Organisation's International Convention for the Prevention of Pollution from Ships 1973 (commonly referred to as MARPOL). The Act mirrors similar Commonwealth legislation and applies to the territorial seas adjacent to the State and waters within the limits of the State. This Bill has four objectives. First, to increase the penalties for offences under the Act to the same level that was recently approved by the Federal Parliament. Given the serious environmental degradation and economic hardship than can result from a large oil discharge, the maximum penalty of $1 million for a body corporate found guilty of such an offence reflects the seriousness of such actions.

Secondly, this Bill provides for the recovery of damages by persons who suffer loss due to a discharge prohibited by this Act. This provision will facilitate compensation to aggrieved persons by proving 'on the balance of probabilities' that damage caused to them or their property was a result of a prohibited discharge. Thirdly, to prohibit discharges from ships, not being oil tankers, of less than 400 gross tonnage. This provision was omitted in the Act, as the MARPOL convention deals with large vessels engaged in international trade, and therefore exempted smaller ships. As the Act applies to the waters of small boat havens as well as the gulfs in South Australia, it is not appropriate that such vessels be exempted as small spills of oil or chemicals in confined waters can also be extremely detrimental to the environment. Commonwealth legislation was amended to include these vessels in 1989.

The fourth objective of this Bill is to consolidate all provisions relating to the adoption of the MARPOL convention into this Act, therefore streamlining its administration. These provisions, previously included in the Marine Act 1936, require that oil and chemical tankers are constructed and equipped in accordance with the regulations contained in the convention. As the convention is a schedule of this Act, it is appropriate that regulations adopting the provisions of the convention be empowered under this Act.

Clause 1 is formal.

Clause 2 provides for commencement on a day to be fixed by proclamation.

Clause 3 increases the maximum penalty for the discharge of oil or an oily mixture from a ship into State waters, in the case of a natural person, from $50 000 to $200 000 and, in the case of a body corporate, from $250 000 to $1 million.

Clause 3 also removes the blanket exemption of all ships of a gross tonnage of less than 400, not being oil tankers, from the offence of releasing oil or oily mixtures into the sea outside a special area. Protection is extended to such ships in the limited circumstances set out in section 8 (4) *(b)* of the Act. This exemption previously applied only to ships of gross tonnage of 400 or more.

Clause 4 increases the maximum penalty for the discharge of oil or an oily mixture from a ship, not being a discharge into State waters or a reception facility, from, in the case of a natural person, $50 000 to $200 000 and, in the case of a body corporate, $250 000 to $1 million.

Clause 5 increases the maximum penalty for the failure by the master of a ship to notify a prescribed officer of a prescribed incident from $5 000 to $50 000. In circumstances where it becomes the responsibility of the owner, charterer, manager or operator of the ship to give such notification, the maximum penalty is increased from, in the case of a natural person, $5 000 to $50 000 and, in the case of a body corporate, $25 000 to $250 000. The maximum penalties for failure by a master or another person to furnish requested further information or for the furnishing of a

false or misleading statement are increased from $5 000 to $20 000.

Clause 6 increases the maximum penalty for failing to carry an oil record book on a ship from, in the case of a natural person, $5 000 to $20 000 and, in the case of a body corporate, $25 000 to $100 000. The maximum penalty imposed on the master of a ship for failure to promptly make entries in an oil record book or to promptly sign the end of a page of an oil record book are increased from $5 000 to $20 000.

Clause 7 increases the maximum penalty for making a false entry in an oil record book from $10 000 to $20 000.

Clause 8 increases the maximum penalty for failure to retain oil record books from, in the case of a natural person, $5 000 to $20 000 and, in the case of a body corporate, $25 000 to $100 000.

Clause 9 increases the maximum penalty for the discharge of a liquid substance from a ship into State waters from, in the case of a natural person, $50 000 to $200 000 and, in the case of a body corporate, $250 000 to $1 million.

Clause 10 increases the maximum penalty for the failure, by the master of a ship, to notify a prescribed officer of a prescribed incident from $5 000 to $50 000. In circumstances where it becomes the responsibility of the owner, charterer, manager or operator of the ship to give such notification, the maximum penalty is increased, in the case of a natural person, from $5 000 to $50 000 and, in the case of a body corporate, from $25 000 to $250 000. The maximum penalties for failure by a master or another person to furnish requested further information or for the furnishing of a false or misleading statement are increased from $5 000 to $20 000.

Clause 11 increases the maximum penalty for failing to carry a cargo record book on a ship from, in the case of a natural person, $5 000 to $20 000 and, in the case of a body corporate, $25 000 to $100 000. The maximum penalty imposed on the master of a ship for failure to promptly make entries in a cargo record book or to promptly sign the end of a page of a cargo record book are increased from $5 000 to $20 000.

Clause 12 increases the maximum penalty for making a false entry in a cargo record book from $10 000 to $20 000.

Clause 13 increases the maximum penalty for failure to retain a cargo record book on a ship from, in the case of a natural person, $5 000 to $20 000 and, in the case of a body corporate, $25 000 to $100 000 and increases the maximum penalty for failure to retain such books for a further period of one year either on the ship or at the registered office of the owner from, in the case of a natural person, $5 000 to $20 000 and, in the case of a body corporate, $10 000 to $100 000.

Clause 14 inserts a new Part into the Act which provides for standards for oil and chemical tanker construction and outfitting. The new Part reproduces Part VA of the Marine Act 1936 but increases a number of the maximum penalties contained in that Part.

Clause 15 increases the maximum penalties for the discharge of oil or an oily mixture from a vehicle or apparatus other than a ship into State waters from $50 000 to $200 000.

Clause 16 increases the maximum penalty for the failure of a relevant person to notify the Minister of a discharge from $5 000 to $20 000. The maximum penalties for failure by the person to furnish requested further information or for the furnishing of a false or misleading statement are increased from $5 000 to $20 000.

Clause 17 increases the maximum penalty for failure to comply with a notice issued by the Minister in relation to the removal or prevention of pollution from $50 000 to $200 000.

Clause 18 increases the maximum penalty for removal, without consent, of a detained ship, vehicle or apparatus from $10 000 to $50 000.

Clause 19 inserts a new section which allows any person, without proving negligence, to recover damages in relation to loss or damage caused by a prohibited discharge and the expenses of preventing or mitigating such a loss from the owner or master of a ship or from a relevant person.

Clause 20 increases the maximum penalty for hindering or failure to comply with a requirement of an inspector from $2 000 to $8 000 and for making a false or misleading statement from $2 000 to $20 000.

Clause 21 increases the maximum penalty for breach of a regulation in relation to the provision of facilities at bulk oil terminals or ship repair yards from $5 000 to $20 000.

Clause 22 increases the maximum penalty for transfer of oil from a ship at a prohibited time from $2 000 to $8 000.

Clause 23 increases the amount of the maximum penalties which may be prescribed by regulation from, in the case of a natural person, $2 000 to $8 000 and, in the case of a body corporate, $5 000 to $20 000.

Clause 24 repeals Part VA of the Marine Act 1936 which has been replaced by the new Part inserted by clause 14.

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

ENVIRONMENT PROTECTION (SEA DUMPING) (COASTAL WATERS AND RADIOACTIVE MATERIAL) AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The Environment Protection (Sea Dumping) Act 1984 incorporates into State legislation the International Convention on the Dumping of Wastes at Sea (commonly referred to as the London Dumping Convention) to which the Commonwealth Government is a signatory. The Act mirrors similar Commonwealth legislation and applies to coastal waters as defined in the Coastal Waters (State Powers) Act 1980. The Act is yet to be proclaimed due to protracted negotiations with the Commonwealth concerning the administrative arrangements for its operation, and the application of the Act to the placement of artificial fish reefs.

This Bill has two principal objectives, the first of which is to extend the application of the Act to waters within the limits of the State (that is, Spencer Gulf, St Vincent Gulf and historic bays). The present Act only applies to coastal waters, being those territorial seas adjacent to the State to three miles from the low water mark on the coast or the line delineating historic bays, gulfs, etc., and this amendment will protect those large areas of water within the State's limits from indiscriminate dumping.

The second objective is to ban any dumping of low level radioactive wastes. The convention permits, under conditions specified by contracting parties, the dumping of certain

low level radioactive wastes. The Commonwealth legislation adopting the convention was amended in 1986 to ban such dumping, and this Government agrees that the dumping of such wastes be prohibited due to the associated environmental risk.

The Bill also amends penalties for offences under the Act to a maximum of $1 000 000 for a corporate body and $200 000 for an individual; in the case of the most serious offences. Graduated penalties are provided for other offences. This brings penalties for these offences into line with penalties for other pollution offences such as those under the Marine Environment Protection Act 1990, the Water Resources Act 1990 and the Pollution of Waters by Oil and Noxious Substances Act 1987.

Clause 1 is formal.

Clause 2 provides for commencement on a day to be fixed by proclamation.

Clause 3 amends the long title to the Act to incorporate the additional purpose contemplated by the Bill of prohibiting the dumping into the sea and incineration at sea of radioactive material.

Clause 4 amends the interpretation section of the Act in three ways—

(a) by changing the definition of 'coastal waters' to include waters within the limits of the State;

(b) by adding a definition of radioactive material; and

(c) by ensuring that the Act applies to the dumping of waste under the seabed as well as on top of it.

Clause 5 excludes activities involving radioactive wastes from the ambit of section 6 of the Act, as the dumping of radioactive waste is covered in a separate section.

Clause 6 inserts an additional section 6a prohibiting the dumping of radioactive waste from any vessel, aircraft or platform in coastal waters.

Clause 7 excludes activities involving radioactive wastes from the ambit of section 8 of the Act, as the loading of radioactive waste for the purpose of incinerating or dumping it in coastal waters is covered in a separate section.

Clause 8 inserts an additional section 8a prohibiting the loading of radioactive waste for the purpose of dumping or incineration in coastal waters.

Clause 9 amends section 9, which deals with defences to charges of offences under the Act, by including the new section 6a as one of the sections to which the defences apply.

Clause 10 amends section 10, which deals with offences, by creating a separate offence relating to radioactive waste, and excluding radioactive waste from the other offences created under the section. The penalty for offences relating to radioactive waste is $200 000 for an individual and $1 000 000 for a corporate body. Penalties for other dumping offences are increased. In the case of wastes to which Annex 1 of the convention applies the penalty is increased to $200 000 for an individual and $1 000 000 for a corporate body. In the case of wastes to which Annex II to the convention applies, the penalty is increased to $100 000 for an individual and $500 000 for a corporate body. In any other case the penalty is increased to $40 000 for an individual and $200 000 for a corporate body.

Clause 11 amends section 11 of the Act, which deals with incineration at sea, by excluding activities involving radioactive waste from the operation of the section. These activities are dealt with in a new section. The penalties for offences of incineration are increased to match those for dumping offences.

Clause 12 inserts an additional section 11a creating an offence of incineration of radioactive waste in coastal waters. The penalty for an offence against this section is $200 000 for an individual and $1 000 000 for a corporate body.

Clause 13 amends section 13, which deals with liability for expenses incurred by the State resulting from dumping, so that it also applies to the dumping of radioactive waste. Penalties for offences relating to vessel or aircraft that have been detained by an inspector are increased to $20 000 in the case of an individual and $100 000 in the case of a corporate body.

Clause 14 amends section 15, which relates to the granting of permits, to provide that no permit may be granted for the dumping or incineration of radioactive waste and to provide that in the granting of any permit, the Minister must have regard to any other conventions on the dumping of wastes at sea to which Australia is a signatory.

Clause 15 repeals section 18 of the Act, which dealt with radioactive waste.

Clause 16 does not increase the penalty under section 21 but renders it in figures instead of words to make it uniform with the remainder of the Act.

Clause 17 increases the penalty under section 22 for the offence of failure to obey the direction of an inspector to $10 000.

Clause 18 increases the penalties under section 30 for the offence of making false statements to the Minister or to an inspector to, in the case of a false statement to the Minister $100 000 for a corporate body and $20 000 for an individual.

Clause 19 increases the penalties under section 31 for the offence or failure to comply with permit conditions to $100 000 for a corporate body and $20 000 for an individual.

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

ADJOURNMENT

At 9.32 p.m. the Council adjourned until Wednesday 23 October at 2.15 p.m.