LEGISLATIVE COUNCIL

Thursday 29 October 1992

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

REPLIES TO QUESTIONS

The Hon. ANNE LEVY: I have received from my colleague in another place replies to 11 of 13 questions asked by the Hon. Mr Lucas relating to the education portfolio. The remaining two replies have not yet been yet collated, but there is an undertaking that they will be provided at a later time. I seek leave to table these rather than incorporate them into *Hansard* as they are fairly voluminous.

Leave granted.

QUESTIONS

SPORTS INSTITUTE

The Hon. R.I. LUCAS: I seek leave to make an explanation before asking the Minister representing the Minister of Recreation and Sport a question about the South Australian Sports Institute.

Leave granted.

The Hon. R.I. LUCAS: My office has been contacted by a number of rental car operators expressing concern about unfair competition from the South Australian Sports Institute in the area of rental hire of mini-buses. The institute has a small fleet of mini-buses which, generally, are used to transport SASI athletes to training and sports meetings. Due to the varying demand on these vehicles, it has been customary to make the mini-buses available for hire to sporting clubs and associations at quite attractive rental rates. The usual requirements are that the applicants wanting to hire must have, as members of their club, some sports scholarship holders, or the club or association must be in receipt of Sports Institute funding or be an affiliate of the institute.

I understand that officially, because of SASI's own demand for these vehicles, the minibuses are only available 'four or five times a year'. That is the official version of the hire arrangements. However, a group of rental car operators who are quite concerned about aspects of SASI's venture informed me that this is not the case. They state that as late as yesterday it was a simple matter to book the hire of a 12 seater minibus from SASI at a cost of $50 a day, petrol included. The only requirement was that the hirer had to deposit $500 to cover vehicle insurance excess. This deposit is, of course, refundable if the vehicle is returned in sound condition.

This arrangement was outlined verbally to one of the rental car firms and later confirmed in writing by SASI's Facilities Manager, Mr Adam Best. The written confirmation approved the hire of a 12 seater minibus from 5 p.m. on Friday 6 November through to 11 November at a cost of $50 a day, petrol included.

So, if SASI's claim that its minibuses are available only four or five times a year is accurate, it appears that the applicant managed to secure the annual quota in one week. The rental car operators claim that the $50 a day rental charge by SASI, together with free petrol via a Mobil fuel card, is a rate with which they could never compete.

One rental firm which claims to be the cheapest in Adelaide says that the lowest price at which it can hire a 12 seater minibus is $86 a day, but the hirer meets all the fuel costs. He says that this is a glaring example of a Government agency directly competing with private enterprise, and it is the taxpayer who is subsidising the very low rates.

Concern has been voiced that, rather than being available selectively to certain sporting groups and associations, the minibuses can be hired by virtually anyone with the wit to invent a bogus sporting club name. By way of example, one person recently booked a SASI minibus by stating that he was representing the East-West Import-Export Tennis Association. His booking was accepted unchallenged. My questions to the Minister are:

1. Will the Minister investigate the hire of SASI minibuses to determine exactly what conditions apply to their rental and whether the conditions have recently been reviewed?

2. Will the Minister detail on how many occasions and on what dates during the past 12 months SASI has hired out each of its five minibuses and to which sporting or other groups were they hired?

3. Are audits carried out on SASI's minibuses to check that distances travelled by all vehicles match details contained in rental hire agreements?

4. Will the Minister indicate on how many occasions the rental cost of the minibus included the cost of fuel, who picked up the cost of the fuel, and what the cost of the fuel was on each occasion?

5. Will the Minister detail how SASI arrived at a rental charge of $50 a day for eight seater and 12 seater minibuses and $75 a day for its 22 seater bus when the lowest price private enterprise can offer customers is 72 per cent higher?

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

COURT APPEAL

The Hon. K.T. GRIFFIN: I seek leave to make an explanation prior to directing a question to the Attorney-General on the subject of an appeal against sentence.

Leave granted.

The Hon. K.T. GRIFFIN: Just over 12 months ago the licensee of the Roosters Club left the club without notice.

An honourable member interjecting:

The Hon. K.T. GRIFFIN: I should I suppose declare that I do not have an interest in the Roosters Club or the North Adelaide Football Club of which the Roosters club is an arm. The former licensee, David Douglas Fisher, was sentenced on Tuesday this week on 14 counts of

fraudulent conversion, and one count of larceny as a servant was dropped by the Crown on the basis that it would not affect the penalty. The amount of money involved in these charges was $50 000, of which $42 000 was Lotteries Commission money through Club Keno, which I understand was run at the Roosters Club, and $8 000 which was the club's money.

Fisher was sentenced to four years' gaol, suspended on his entering into a $100 bond. Counsel for Fisher made submissions on sentence for about an hour and quite extensive submissions about his mental condition, while the Crown made submissions for about a minute and a half, and that included a reference to an earlier case which the Crown was seeking to draw to the attention of the court as a precedent for penalty. That case involved an employee of a Glenelg newsagency who had been convicted of an offence and was sentenced to three years gaol for similar offences.

I have been contacted by the club, which is angry at what it sees as a lenient sentence considering the amount of money involved and the nature of the offences. It is also concerned about the leniency in the light of penalties such as the penalty imposed yesterday on a person who defrauded WorkCover of $22 000 and received an eight month gaol sentence. That was not suspended.

There is an interesting twist in this case. Within one week of leaving the Roosters Club without any notice to the club, Fisher made a claim to WorkCover for compensation for stress arising out of the job which he had had at the Roosters Club. Thereafter he was paid by WorkCover about $600 per week or thereabouts for a period of 12 months. That was stopped only recently and Fisher has appealed against that decision.

The other interesting aspect is that WorkCover did not inform the Roosters Club that a claim had been made or that weekly payments were being paid. Several months after Fisher disappeared, the Secretary/Manager of the club telephoned WorkCover about another matter, unrelated to Fisher. It was purely by chance that the former licensee's name was mentioned. The WorkCover operator punched the name of the Roosters Club up on the screen and said something about Fisher receiving compensation. That was the first that the Secretary/Manager of the Roosters Club heard about it. The Secretary/Manager was amazed to hear that a claim had been made and that there was no consultation with the former employer, which may now well be penalised with penalty levies as a result of the weekly payments being made. My questions are:

1. Will the Attorney-General consult with the Director of Public Prosecutions to see whether an appeal against sentence is possible and appropriate?

2. Will the Attorney-General take up with the Minister of Labour Relations and Occupational Health and Safety why WorkCover did not consult with the Roosters Club on the claim by its former employee, why weekly payments were made and ensure that the club does not incur penalties as a result of WorkCover's own action?

The Hon. C.J. SUMNER: The answer to the second question is, 'Yes.' The answer to the first question is that I will refer the honourable member's question to the Director of Public Prosecutions. It is his responsibility now to determine whether an appeal against sentence should be lodged. I will refer the honourable member's comments to him for his consideration and bring back a reply as to whether or not he has decided to appeal. The other comments that the honourable member made relating to stress emphasise the importance of dealing with the Bill now before Parliament which relates to workers compensation payments for stress.

JAM FACTORY

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

Leave granted.

The Hon. DIANA LAIDLAW: The Jam Factory has been troubled for some time with staff unrest and financial problems and I noted with interest comments by the Minister in this morning's *Advertiser* that she is aware that it has been a difficult time for the Jam Factory. Over the past month I have called on the Minister to investigate what is going on at the Jam Factory so that once again we can be reassured that taxpayers' dollars are being well spent—last year, $850 000 was granted to the Jam Factory as an operating subsidy—and that the Jam Factory can be restored to a craft and design centre that is respected in this State and nationally. I have also been keen for the Minister to request that the board not renew Mr McBride's term of appointment as CEO, which is about to expire, until some investigation or inquiry has been conducted.

I am not necessarily concerned about the form this investigation will take, but I am anxious that such an investigation take place and that all the problems are not swept under the carpet but are acknowledged publicly in order for something to be done about them. I note also from this morning's paper that the Minister said, 'I'm not saying that there would or would not be some sort of consultancy or something.' I would like to ask the Minister what she means by 'some sort of consultancy or something' in terms of some inquiry or investigation into the troubles currently besetting the Jam Factory.

The Hon. ANNE LEVY: It seems to me that the honourable member is none too averse to listening to scuttlebutt and rushing into print at the slightest provocation. The comments in this morning's paper arose from a press release that the honourable member put out many days ago, the contents of which gave credence to a number of rumours and scuttlebutt—and I do not think that one can describe it as other than that—all of which can be and has been explained to the *Advertiser* by the Director of the Jam Factory.

For instance, in her press release the honourable member raised questions about trips interstate by the Director of the Jam Factory, obviously implying that they were far too frequent and that they were costing the Jam Factory a great deal of money. Had she made any inquiries at all, she would rapidly have found—as did the *Advertiser*—that the trips made interstate by the Director in this year total five and that, in every case, the fares and associated costs have been met by other parties. There has not been one cent out of the Jam Factory for those trips.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The honourable member will have the opportunity to ask a question as a supplementary.

The Hon. ANNE LEVY: Most of these trips relate to the Director's involvement as a board member of the Crafts Council of Australia, on which national body he represents South Australia.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order!

The Hon. ANNE LEVY: Two trips were to attend board meetings held in Sydney at weekends, thus being in his own time; one was to be a member of an interview panel for the selection of a General Manager of the Crafts Council of Australia; one was to give an invited paper at a national crafts conference held in Perth; and the fifth trip was to give a paper at a conference at Wollongong University, to which he had been invited by the university and for which all the expenses were paid by the university.

It adds a great deal to the prestige and value of the Jam Factory that it be recognised right around Australia in this way and that its Director be invited to present papers and to show a high profile in the crafts of this country. It is a recognition of his standing and must surely act as a most beneficial form of promotion and creation of a national profile for the Jam Factory. As I say, one small inquiry would have elicited these facts for the honourable member, instead of her peddling her scuttlebutt in press releases.

Members interjecting:

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

The Hon. ANNE LEVY: It is certainly true that the Jam Factory has had some difficult times recently. That has never been hidden and it is readily explicable. I hardly need to tell people that these are tough economic times. Furthermore, the Jam Factory in the past financial year relocated from Payneham Road to the Lion Arts Centre, and there were considerable expenses involved with fitting out the new premises and with moving, and with moving very detailed and heavy equipment from one site to the other. The full costs of this move did mean that there were some overruns to the Jam Factory budget in the last financial year. They had not been budgeted for because at the time when the previous year's budget was drawn up there was no information as to when a move would occur. However, I stress that these have been one-off costs and that they are not likely to recur in the future and, as I say, they are readily explicable. I am sure that with very little effort on her part the honourable member could have found out the facts.

The comments which appear from me in the paper this morning were comments that I made quite a number of days ago, when contacted by the *Advertiser*. I would certainly like to reiterate that when any organisation is having problems we are very happy to work with that organisation and we will do what we can to assist in any way, and certainly we wish to work cooperatively to solve any problems that any of our funded organisations may be having. The Jam Factory is no exception. Some time ago I wrote to the Jam Factory along those lines. Discussions have occurred between the Jam Factory and officers of my department, and I am sure they will continue. The comment I made to *the Advertiser* about a consultancy—

The Hon. Diana Laidlaw interjecting:

The Hon. ANNE LEVY: Well, it was illustrative of a form of assistance which can be offered, which may or may not be required; but we wish to work cooperatively with the Jam Factory and, indeed, with any such organisation. That was merely an illustration of the type of assistance that we can provide if it is felt desirable in the circumstances.

The Hon. Diana Laidlaw: Desirable by whom?

The Hon. ANNE LEVY: Desirable by the people who sit down around the table and talk about any problems. It is a matter of cooperation. We do not work in the situation of person A dictating to person B. As I have stressed and I repeat—

The Hon. L.H. Davis: Like the poker machine debate?

The PRESIDENT: Order!

The Hon. ANNE LEVY: Obviously the Hon. Ms Laidlaw does not know the meaning of the word cooperation. But indeed we welcome the opportunity to work with any organisation and to solve together any problems that it may be experiencing. However, it is quite wrong to suggest that the Jam Factory is falling into a hole, or to draw any such conclusion from the remarks and press release from the honourable member.

The Jam Factory is in a healthy financial situation; it has reserves. The City Style shop, which has run at a loss for a couple of years, has now turned around and is making a profit. Any suggestions that the Jam Factory is about to fall down a financial hole are complete rubbish and have no basis in fact.

The Hon. DIANA LAIDLAW: As a supplementary question, is the Minister denying that there are staff unrest problems at the Jam Factory?

The Hon. ANNE LEVY: There have been some concerns at the Jam Factory in recent times. There certainly have been some staff problems; I do not wish to detail them in the Council.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The honourable Ms Laidlaw has asked her question.

The Hon. ANNE LEVY: I am aware of the situation in each case, and it seems to me the Jam Factory management has behaved responsibly in trying to deal with this situation. I could say a great deal more about it, but I think it unwise to criticise individuals in Parliament, and it is much better that these things are treated with more confidentiality than the honourable member would obviously like them to have.

MINISTRY

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Premier, a question about the cost to the State of the recent Cabinet reshuffle.

Leave granted.

The Hon. M.J. ELLIOTT: South Australia's Government departments—

Members interjecting:

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

The Hon. M.J. ELLIOTT: —are in the process of fitting themselves into the revised structure launched by the new Premier.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! The Hon. Ms Laidlaw will come to order.

The Hon. M.J. ELLIOTT: This has not been without anxiety for many public servants. Only about week ago I was talking to public servants who still did not know in which department they were. Public servants have also expressed some doubts about the appropriateness of some of the new structures that have been created. My office has been contacted by several people expressing concern not only about which units are moving to which department but about the cost of this inflicted reorganisation to the State. I will give an example just within one Government department. I am told that the National Parks and Wildlife Service will be moving from its current accommodation, with the rest of the old Department of Environment and Planning in Grenfell Street, to the Treasury building on King William Street, in which the old Lands Department is currently situated. The cost of that, I am told, is $1.3 million, while there are many other costs, such as printing new stationery for the service, which will amount to around $25 000.

Those costs will be multiplied by the number of administrative units moving department, whether or not that involves physical relocation. All this is happening at a time when the State's Public Service is being told to reduce staff and ultimately the quality or quantity of service to the public, at a time when hospitals are closing beds they cannot afford to fill while people wait for surgery, and at a time when our parks are being overrun by feral animals. I asked a question only a couple of weeks ago about the problems that feral animals were causing in parks because there was not the money to cope with the situation. I ask the Attorney-General, representing the Premier, three questions:

1. How can the Premier justify forcing Government departments to spend money on an unnecessary and inflicted shuffle when the State is in the midst of a recession?

2. Where will the money for this unbudgeted contingency come from, given the fact that so many areas of essential service are being told the State does not have the funds to maintain services?

3. Can the Minister give an estimate of the costs of shifting persons and departments, the creation of new letterheads, and so on, for all Government departments?

The Hon. C.J. SUMNER: I do not think it is spending unnecessary funds. To start with, any new Government—and any new Premier in particular—is entitled to put their particular stamp on the priorities of Government as they see it, and that is what the present Premier has done. It is quite clear from the reorganisation that that thrust has been a development thrust. It is a thrust which sees the major challenge for this community over the next decade to get the economy moving, to get productivity and efficiency in all sectors of our community.

I would have thought that that was a thrust that had the support of the Parliament and of the general community. Whatever priorities we have had in the past at various times, the fact is that in this State at this moment and over the next decade the number one priority has to be development, investment and jobs, and that has been the priority that the Premier has put on this Government.

That has required some reorganisation, some of which has involved the bringing together of different departments, and that should produce savings in those areas. Obviously, some expenses are involved in any reorganisation, just as there is when there is a change of Government: new stationery and things like that have to be produced. However, I do not really think a Government can be expected not to change things because it might cost something in stationery. You might try that on the Opposition if it wins the next election and it changes the stationery being used by the Cabinet.

The Hon. L.H. Davis interjecting:

The Hon. C.J. SUMNER: I said if it wins the election, Mr President. That is what I said.

Members interjecting:

The PRESIDENT: Order! The Council will come to order. The Attorney-General has the floor.

The Hon. C.J. SUMNER: What shambles are you talking about? Our Appropriation Bill is not a shambles, Mr President. The only people who have made the Appropriation Bill a shambles are the Liberals in another place. Their behaviour has just been simply disgraceful. The fact is that it is that sort of behaviour which brings the reputation of politicians and Parliament into disrepute. That is the fact of the matter: playing silly adolescent games after—

The Hon. R.I. LUCAS: On a point of order, Mr President, I would ask you to rule whether or not this has anything to do by way of relevance to the question.

The PRESIDENT: It does not matter whether it has or has not. The Minister may answer the question in any way he sees fit. That has been the practice of the Council.

The Hon. R.I. LUCAS: I also ask you to rule whether or not he is casting a reflection on members of Parliament in another place.

The PRESIDENT: I do not believe he is, from what I heard. It has been the standing practice of this Chamber for a Minister to reply to a question in any way he sees fit.

The Hon. C.J. SUMNER: If the Leader wanted to take that point of order, he should have taken it with his colleague on the front bench. The Hon. Miss Laidlaw introduced this extraneous material into the answer. The fact is that the Liberal Party in the other place has dealt with the Appropriation Bill in the way it has, playing, as I said silly, adolescent games which can only have one result, and that is to further downgrade the public's view of politicians—and I should say that they did it after arrangements had been entered into in this Council and in another place to deal with it in the manner that had been outlined. However, as the Hon. Mr Lucas says, that is not relevant to the question, but it was certainly relevant to the interjection from the Hon. Miss Laidlaw.

An honourable member interjecting:

The PRESIDENT: Order!

The Hon. C.J. SUMNER: I assume that the Hon. Mr Elliott is not suggesting to the Liberal Opposition, if it wins the next election, or indeed to the Labor Party if it wins the next election, that it should not change any structures in the Public Service because it will cost

money to renew the letterheads. The fact is that this restructuring has some savings in it in the sense that it has brought together a number of departments which I have not identified. On that side it would have had some savings in it.

The Hon. Mr Elliott has asserted that there is some amount that has been incurred from the shifting by one department to another. I do not know whether that shift was in the pipeline in any event and was going to occur in any event. However, that can clearly be checked, and I will certainly check it and bring back an answer. However, I do not concede that the Government is involved in the spending of unnecessary funds because it attempts to restructure the Government to give it a priority for this next decade in terms of development, investment and employment. However, I will attempt as best I can by reference to my colleague to get an answer to the other questions.

PUBLIC SECTOR CONDUCT

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Attorney-General, as Leader of the Government in the Council, a question about the code of conduct.

Leave granted.

The Hon. L.H. DAVIS: Earlier this week the Attorney-General released a code of conduct for public employees. This code was issued by the Government Management Board and confirmed the ethical conduct expected of public employees pursuant to the Government Management Employment Act 1985. In answer to a question from my colleague yesterday, the Attorney-General confirmed that the Government expected that this code of conduct would apply to all Government instrumentalities. In this little red book released by the Attorney-General, the following quotation appears:

> The public expects and has a right to demand that public employees maintain a high standard of ethical conduct. It means putting public interest before self-interest.

Under the heading 'these types of behaviour are unacceptable' are listed 'patronage', 'nepotism' and 'using your position to further either your own interests or interests of friends and relatives'. Further on in the book under the heading 'patronage and nepotism is unacceptable' it states that 'it is definitely unacceptable to hire friends or relatives for a position without calling the position'. Finally, under the heading 'your official position is a position of public trust', the code states:

> Do not compromise the public good by seeking private gain. You must not use your official position to seek or obtain any financial or other advantage for yourself.

I raise these very explicit standards of conduct in relation to the recently retired Chairman of SGIC, Mr Vin Kean, because it would appear that in several areas he has breached the code of conduct which the Attorney-General claims should apply to all instrumentalities. While Chairman of SGIC and a board member of Bouvet Pty Ltd, Mr Kean's company, United Motors Retail, sold a Rolls Royce to The Terrace Hotel, owned by SGIC, for $275 000 without going to tender. Advice from the trade suggests that this was at least $25 000 above the going market price.

Three relatives of Mr Kean were employed at The Terrace Hotel—his daughter, who ran the gift shop (and that ignored a promise made to Mr and Mrs Fisher); his son, who renovated bathrooms; and his son-in-law, who was Assistant Chauffeur driving the Rolls Royce.

A company in which Mr Kean had a major interest obtained a $20 million loan to enable the construction of No. 1 Anzac Highway to proceed. This was the only time that SGIC had ever lent 100 per cent on any loan. This loan was regarded as most unorthodox by Adelaide's financial community, and was at least six times larger than any other mortgage loan made by SGIC before or since the date of that loan in 1988.

Finally, in 1988 SGIC, as the only bidder, purchased at auction from a company in which Mr Kean had a major interest an empty building at No. 1 Port Wakefield Road for $1.8 million—$400 000 more than Mr Kean's company had paid only a few weeks earlier. The decision for SGIC to bid at this auction was taken at an SGIC property subcommittee meeting on 28 March 1988, only two days earlier than the auction date, although consideration of this property had not been listed on the original agenda. My questions to the Attorney are as follows:

1. Does the Government accept that the foregoing examples of Mr Kean's actions while Chairman of SGIC constitute a *prima facie* breach of the code of conduct released by the Attorney-General earlier this week?

2. Who or what body is responsible for investigating such breaches, and in the case of SGIC who initiates such an investigation?

3. Does the Arnold Administration intend to adopt a stricter approach to matters of conduct than the 'anything goes' approach of the Bannon Administration?

4. Is the Government concerned that there appears to be no adequate monitoring of conduct in statutory authorities such as SGIC, given that in each of the foregoing cases it was the Liberal Opposition which blew the whistle on Mr Kean's Rolls Royce, relatives and property deals?

The Hon. C.J. SUMNER: First, it was not an 'anything goes' approach by the Bannon Government. That is firmly rejected. The issues that the honourable member has raised in relation to Mr Kean are all re-runs of matters that he has raised on previous occasions. Most recently, a question about the Terrace Hotel was asked of me a few weeks ago and I undertook to get a response for the honourable member, so I—

The Hon. L.H. Davis: Which hasn't come.

The Hon. C.J. SUMNER: It has not come yet, but it will. I am not even sure that the allegations that the honourable member makes on those matters are verified.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Davis has asked his question and he will come to order.

The Hon. C.J. SUMNER: As I understand it, Mr Kean is no longer the Chairman of SGIC.

The Hon. L.H. Davis: So it doesn't matter any more; that is what you are saying.

The Hon. C.J. SUMNER: I am not saying that it does not matter any more, presuming that what the honourable member stated is correct. However, if the honourable member is suggesting that I can take some action at this time against Mr Kean as Chairman of SGIC, he is

forgetting that Mr Kean is no longer Chairman of that organisation. What the honourable member said today is basically a re-run of the previous allegations against Mr Kean. Some of them have been looked at. In fact, concerns about conflict of interest were examined some 12 months ago and, generally, the conclusion was that—

The Hon. L.H. Davis: That has never been made public, has it?

The Hon. C.J. SUMNER: Okay. There were some issues of conflict in relation to Mr Kean's role as Chairman of SGIC. Today the honourable member raised some further matters about the Terrace Hotel, and that is fair enough. I do not know whether or not they are correct but I have undertaken to have those matters examined, and I will bring back a reply. That is what I will do.

The code of conduct is to be enforced within the Public Service by the Commissioner for Public Employment. It is a Commissioner for Public Employment circular, so therefore he has the overall view of what happens within the public sector. The disciplinary authority is usually the chief executive officer of the department, so, if there are breaches or repeated infractions of the code by a public servant, that may give ground for disciplinary action against the public servant concerned. That decision would normally be taken by the chief executive officer. If the chief executive officer is involved, it is a matter for the Minister.

If the matter concerns members of statutory authorities, the responsibility lies first with the board of the statutory authority in question. If allegations are made about the board members, the responsible person would be the Minister responsible for that statutory authority. As I said yesterday, the whole question of directors' responsibilities is being given attention by the Government. The Government has announced that a public corporations Bill will be prepared, and it is in the process of being drafted. That announcement has already been made. The Bill will clarify the situation in relation to directors' duties.

It is not just directors' duties in the public sector that are coming under scrutiny. It is not just standards or codes of ethics in the public sector that are being looked at. That is also occurring in the private sector. The honourable member would no doubt be aware of the debate that is going on about amendments to the corporations Bill relating to the responsibility of directors. The debate about directors' responsibilities is not confined to the public sector or to one or two instrumentalities within the public sector. It is a broad debate in the community which picks up the private sector as well, and codes of conduct or standards are being looked at in the private sector. That is for corporate behaviour.

The Hon. L.H. Davis: Are you condoning Mr Kean's behaviour?

The Hon. C.J. SUMNER: I am not condoning anything. I said that I will get a response to the questions that the honourable member has asked about Mr Kean. I will not pre-determine on the basis of what the honourable member said in this Chamber whether or not the facts are correct, because I have had enough experience in this place of issues being raised by members opposite which turn out not to be correct. I am adopting the approach that we will look at assertions that have been made and I will bring back a reply in relation to them.

In the private sector, a lot of attention has been given to this issue. Since his retirement, Mr Henry Bosch, the former Chairman of the NCSC, has spent a lot of time with people in the corporate sector preparing a code of ethics which has been distributed to various companies and organisations representing company directors and those employed by companies. That is a desirable development because it says that one cannot rely just on black letter law in this area. One has to develop codes which give some meat to the bare bones of the black letter law, whether that law relates to the private sector in the Corporations Law or in the public sector through the Government Management and Employment Act.

I repeat that the general issue is being looked at in the public and private sectors. The Government has taken an important step in issuing this code of conduct, putting in the one document all the responsibilities that public servants have, and it will be monitored. It will be enforced in the way that I have outlined. In relation to the issues raised by the honourable member, I will have them examined, as I said I would previously, and bring back a reply.

BOTANIC GARDENS

The Hon. J.C. IRWIN: I seek leave to make an explanation before asking the Minister for the Arts and Cultural Heritage a question relating to the Botanic Gardens.

Leave granted.

The Hon. J.C. IRWIN: The Minister may have seen in this morning's *Advertiser* a letter to the Editor about the Botanic Gardens parking control, which was written by a Mr Howie. As we know, the Botanic Gardens Bill passed this place last night, but it is possible that Mr Howie's point has not been addressed. Mr Howie states:

> The Botanic Gardens board was unable to control parking in Botanic Park and controls have been applied by the Adelaide City Council since 1 July 1979. An amendment is required to the Local Government Act if the board is to assume control of parking. At present, the Local Government Act, the Private Parking Areas Act and the Road Traffic Act are applicable to the Botanic Park.

Section 475*i* of the Local Government Act provides that:

> 'Public place' has the meaning assigned by section 5 and includes parklands, plantations, ornamental grounds and reserves, and, in relation to the Corporation of the City of Adelaide, includes any of the land vested in the Adelaide Festival Centre Trust, or vested in, or under the control of, the board of the Botanic Gardens ...

My questions are:

1. Does this mean that the Local Government Act will need to be amended to enable control and collection of parking fees to be carried out by the Botanic Gardens board, which was the intention of the recently debated Bill?

2. When can we expect an amendment to the Local Government Act or to any other Act, if needed?

3. If parking fees are collected by the Adelaide City Council in the meantime, will the net amount collected be available to the Botanic Gardens board until the Local Government Act and other Acts are amended?

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

GAWLER RIVER

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister representing the Minister of Environment and Land Management a question relating to the Gawler River floods.

Leave granted.

The Hon. BERNICE PFITZNER: Residents in the Two Wells area have been severely flooded twice, three weeks apart, last month and this month. I visited the area and noted the destruction that the flood waters caused to land, homes and personal belongings. It was severe, with damage to personal belongings including carpet and furniture in lounge rooms, bedrooms and dining areas. Televisions and refrigerators were completely damaged. Some belongings were only a few months old. These hard-working residents are in the process of applying for re-establishment grants. Eligibility for this grant is income tested, but it is not only gross income but also gross income minus gross expenditure for the self-employed. I have a copy of a letter to a resident of the Two Wells area from the Director of Administration and Finance within the Department for Family and Community Services, which reads in part:

> I refer to your application of 24 September 1992 for a re-establishment grant following the floods in the latter half of last month . . . You will note that the grant is means tested. Your application indicates that the gross or total weekly income for all persons included in your application is $1 200. This is considerably higher than the cut-off point for the grant for a family with two children. I am sorry to advise that you do not, therefore, qualify for the grant.

In this letter there is no reference to gross expenditure. The resident's gross expenditure is such that he should qualify for the grant. I understand that the resident was told by the FACS worker that only gross income is to be considered. My questions to the Minister are:

1. Have the criteria for the re-establishment grant as it pertains to the income or means test been changed especially for these flood victims?

2. If not, why have this Two Wells resident and others not qualified?

3. If the income test criteria have changed, will the Minister provide me with the new criteria?

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

KENSINGTON COLLEGE OF TAFE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister for the Arts and Cultural Heritage, representing the Minister of Public Infrastructure, a question about the former Kensington College of TAFE.

Leave granted.

The Hon. J.F. STEFANI: Following the sale of the former Kensington College of TAFE for $2.8 million, on 20 August this year I raised the issue of the statement made by the auctioneer, when answering questions from members of the public present at the auction on the day of the sale, that the buildings were free of asbestos. I also sought from the Minister answers to questions relating to the asbestos removal by SACON, and further requested details of the asbestos register and asbestos management plan that should have been established in accordance with the regulations under the Occupational Health, Safety and Welfare Act 1986.

One of my questions also sought an assurance from the Minister that the buildings of the former Kensington College of TAFE were free of asbestos, consistent with the assurance given to the public on the day of the auction by the auctioneer, who was acting under instructions from the Government. Yesterday, I received answers to some of the questions I raised on 20 August, confirming that no asbestos register was prepared by SACON as required by the regulations that became operative on 1 April 1991.

The excuse given for not preparing the asbestos register and management plan was the imminent closure of the school. The Minister further advised me that unstable asbestos was previously removed and that other asbestos sheeting is still present in the buildings. This information is in direct contradiction to the assurances given to the public at the time of the sale by the auctioneer, who was acting under instructions and on information supplied to him by Government officers.

On 26 October I decided to inspect the site and discovered that some of the buildings that are in a derelict state are still standing. Some demolition work has occurred at the site, and I was able to identify a good number of areas where asbestos in various forms is still present in the existing buildings. The presence of asbestos in the buildings leads me to believe that the public, including the new owners of the property, may have been misled at the time of the auction. By implication, this would give rise to a claim against the Government for damages and for the costs of removing the asbestos.

The requirements of the Occupational Health, Safety and Welfare Act provide that asbestos materials must be removed before any building is demolished. The nature and location of the asbestos within the buildings of the former TAFE college will require the expenditure of a substantial sum of money to remove the existing asbestos materials. My questions are:

1. Will the Minister confirm or deny that a substantial claim has been received by the Government from the new owners of the property to cover costs of the removal of asbestos and/or damages?

2. What is the amount of the claim?

3. Will the Minister confirm or deny that SACON, which was responsible for the removal of the asbestos from this site before it was sold, was also responsible for preparing a register, management and monitoring plan on the buildings after the asbestos was removed, as required by the Act? Will the Minister provide a copy of such documents?

4. Will the Minister confirm whether the sale has been finalised and, if not, when settlement is likely to occur?

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

COURT CASE FLOW MANAGEMENT

The Hon. J.C. BURDETT: I seek leave to make a brief explanation before asking the Attorney-General a question about case flow management.

Leave granted.

The Hon. J.C. BURDETT: I refer to the annual report for 1991-92 of the Court Services Department in regard to, first, the civil list in the District Court. The report states:

> The introduction of a case flow management system in the District Court in 1990 significantly enhanced the court's ability to reduce delay in its civil jurisdiction. For the first time, rules of court required parties to adhere to strict timeframes for the completion of critical steps in the litigation process. Computerisation of the system in 1991 further supported the process by enabling the court to automatically monitor compliance with the prescribed timeframes.

As I understand it, in the other two civil jurisdictions (the Supreme Court and the Magistrates Court) this has not yet been implemented. Page 7 of the report, under 'Supreme Court', states:

> In addition to existing procedures for managing the flow of cases through its courts, the Supreme Court this year established the Civil Case Flow Management Advisory Committee (CCMAC) to examine its present and future case flow management requirements. The objectives of the committee were—

It then sets those out and states:

> If the recommendations of the committee are accepted, new and improved case flow procedures will be implemented in early 1993.

My questions are:

1. When does the Attorney anticipate that computerisation of the civil list in the Supreme Court will take place?

2. Is it intended to impose on the Supreme Court the tight controls introduced in the District Court rules of court?

3. When is it expected that computerisation will be achieved in the Magistrates Court?

The Hon. C.J. SUMNER: I will need to take those questions on notice and bring back a reply.

NULLARBOR PLAIN

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Environment and Land Management a question about the heritage plan for the Nullarbor.

Leave granted.

The Hon. PETER DUNN: For the world heritage listing of a large area of the Nullarbor, the South Australian and Western Australian Governments and the Federal Government must agree. The listing had to be submitted to the world heritage body by October 1992, but they have missed that date. However, efforts may still be made to have the area listed in future years. There is now uncertainty as to when this action may take place, making pastoralists in the area most uneasy.

With this indecision hanging over the heads of these pastoralists, they feel uneasy spending money on such things as vermin control, fencing, water conservation and capital improvements. The area is harsh and difficult to manage, but is most productive to the Australian economy, returning of export dollars and, ultimately, job creation. History is proving that the individual in the pastoral areas is managing well if encouraged, and if offered—

The PRESIDENT: Order! Time having expired for questions, I call on the business of the day.

MOTOR VEHICLES (CONFIDENTIALITY) AMENDMENT BILL

The Hon. C.J. Sumner, for the **Hon. BARBARA WIESE (Minister of Transport Development)**, obtained leave and introduced a Bill for an Act to amend the Motor Vehicles Act 1959.

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

That this Bill be now read a second time.

The Motor Vehicles Act 1959 authorises the Registrar of Motor Vehicles to maintain a Register of Motor Vehicles and a Register of Licensed Drivers. Confidential and sensitive information about individuals, such as addresses, dates of birth and medical details, and secured information about motor vehicles, such as engine numbers and vehicle identification numbers, appears on these registers.

The Act as it now stands may be construed to infer that the registers are public documents and, as such, anyone paying the search fee is entitled to peruse them. Providing an easy means of relating a vehicle registration number to a name and address can have regrettable consequences. Easy access to engine numbers and vehicle identification numbers can only serve to assist the trade in stolen vehicles.

In practice, the registers exist only in the electronic form and are not available for public searches. The privacy of the information is safeguarded by releasing it only on a restricted basis. The guidelines for the release of information are stringent and conform with the requirements of the South Australian information privacy principles. There is some doubt as to the statutory validity of this practice. The amendment before the House will put that beyond doubt. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

Clause 1 is formal.

Clause 2 inserts new section 139d into the principal Act.

Proposed subsection (1) prohibits a person engaged or formerly engaged in the administration of the Act from divulging or communicating information obtained (whether by that person or otherwise) in the administration of the Act except:

- as required or authorised by or under the Act;
- as authorised by or under any other Act;
- with the consent of the person from whom the information was obtained or to whom the information relates;
- in connection with the administration of the Act;
- for the purpose of any legal proceedings arising out of the administration of the Act;
- or
- in accordance with guidelines approved by the Minister.

The maximum penalty is a division 6 fine ($4 000).

Proposed subsection (2) empowers the Registrar or a person authorised by the Registrar to require a person applying for the

disclosure of information obtained in the administration of the Act:

to provide such evidence as the Registrar or authorised person considers necessary to determine the application;

to verify the evidence by statutory declaration.

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

APPROPRIATION 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.

This Bill was introduced previously, and I gave a second reading explanation which I do not need to repeat. I move:

That Standing Orders be so far suspended as to enable the second reading debate to proceed forthwith.

Motion carried.

The Hon. I. GILFILLAN: In my second reading contribution to this Bill I wish to cover some matters that relate in general to the revenue of the State and, in particular, the consequences which are already happening and which it is predicted will have even more dramatic effects as regards tariff changes. I want to cover some ground which concerns the impact of tariff changes in South Australia and I refer to an inquiry in which I was involved earlier this month. The South Australian Manufacturing Advisory Council presented a submission. Its members include the Premier, as Chairman, the Hon. Mike Rann as Deputy Chairman, the Hon. Susan Lenehan, Mr Geoff Fry, Deputy Managing Director of Adelaide Brighton Cement, Mr Lindsay Spackman, Secretary of the Amalgamated Footwear and Textile Workers, Mr Allan Swinstead, the Director of the Engineering Employers' Association, Mr Mick Tumbers, Secretary of the Metal Engineering Workers Union, Mr Lindsay Thompson, General Manager of the Chamber of Commerce and Industry and Mr Paul van der Lee, Acting Director of the Department of Industry, Trade and Technology. I will not go through the names of the Manufacturing Advisory Council deputies, but these were present, from unions and other employer organisations.

The submission given by this prestigious organisation was subsequently endorsed by the Government as its own, as a submission to the Parliamentary Inquiry into Tariffs and Industry Development, which held a hearing on 19 October. That inquiry was chaired by Democrat Senator Syd Spindler, Senator Meg Lees, myself, the Executive Secretary of the inquiry, Mr Ernest Rodeck, and the National President of the Australian Institute of Management. The submission from the Manufacturing Advisory Council said, amongst other things:

The MAC highlights two sources of market failure which justifies and may guide industry policy.

Whilst it can be accepted that intervention distorts the price mechanism, and influences the allocation of resources, some industries have spin-off benefits or costs which are unpriced by the market and not captured solely by the firm. That is, certain industries provide benefits which markets do not price. The motor vehicle industry is a case in point. The car makers provide scale economies to their suppliers which are of critical benefit to third industries. The industry also produces demonstration and reputation effects it itself cannot capture. If industry policy does not assist the industry in recognition of these effects, the car makers will react to the effects of policy change on private profit alone and the theory of prices suggests the result will be sub optimal. In general, this means that some industries are 'worth' more (and others less) than one would believe if prices only are taken to reflect national values.

Other nations' trade barriers, particularly in East Asia, the European communities and the USA, mean that Australia needs industry support policies to maintain our international competitiveness. If international trade is distorted by the barriers of other nations or by the non-competitive behaviour of large multinational firms, then our unilateral moves to free trade do nothing to level the international playing field. Rather, they punish Australia and consign us to a lower standard of living. Having an industry policy is in Australia's interest . . .

The MAC approach recognises that some industries are more strategically important than others, which is to say that their linkages to other Australian industries are longer and stronger and that they provide significant spin-offs not registered by the price mechanism.

So the case is very clearly put that we must view the continuing existence of industries of a certain type in Australia not just on the price factor to the consumer in Australia but after assessing the flow-down or flow-up, if you like, benefits which come from having those industries continuing to exist in Australia, and I shall continue to quote further argument from the Manufacturing Advisory Council submission:

Both the policy induced downturn and the tariff phase-down have had a greater effect on South Australia than on Australia as a whole. Work undertaken for the MAC by the National Institute of Economic and Industry Research indicates that the tariff phase-down accounted in 1990-91 for 20 per cent of job loss in South Australia, a full five percentage points higher than the national average. As the tariff phase-down continues, it is expected that its impact will become more and more significant both nationally and, to a greater extent, in South Australia.

The MAC's doubts about the Federal policy direction notwithstanding, even on the assumption that there will be national benefits, South Australia expects to be a net loser from the tariff phasedown. The NIEIR projections to 1997, taking account the One National package and prospects for recovery, see South Australia becoming increasingly drawn into a vicious cycle of relative decline, with a diminishing share of national GDP population and employment.

The article continues:

South Australia would need to lift its share of major national manufacturing projects to the order of 10 to 15 per cent—significantly higher than its share of national GDP by 1997, in order to maintain its present share of national GDP. Such a sustained high level of private investment is unprecedented and reflects the size of the stimulus required to offset the impact of tariff decline. But, without it, the NIEIR advises South Australia cannot achieve the objective of 7 per cent unemployment by 2001. Unemployment is projected to remain unacceptably high, at 12 to 13 per cent.

The losses are likely to be geographically concentrated in areas previously successful in making use of the old assistance regime, for example, South Australia, and the gains will concentrate in areas favoured by the absence of resource endowment on which to build assistance-free industries, remote mineral processing plants, for example. These redistributions will be costly but have not been researched adequately by the advocates of tariff removal. Consequently, regardless of the attempts to alter the pace of tariff withdrawal, a case for structural adjustment assistance to South Australia is to be put to the Federal Government in the near future. The quantum sought will be based on model assessment of output and employment losses in South Australia attributable to the decline in tariffs over and above the national impact.

I hope that the effect of that submission will bring some results from the Federal Government.

The Mitsubishi Motors' submission, which obviously relates specifically to the motor vehicle industry and which involves the contents of the industry commission inquiry into the industry in 1990, states:

The commission's recognition of the central role that export facilitation had to play in the achievement of the industry's objectives—

Export facilitation is where an exporter can develop a credit bank equivalent to the tariff which applies to pay off duty on imports that that exporter may require. So, if a tariff level of 30 per cent applies on $1 000 worth of exports, a $350 credit is available to pay the duty on imported products or equipment which made need to be brought in. Therefore, if a reduction in tariffs occurs, there will be quite a dramatic cutoff in the export facilitation advantage enjoyed by certain workers. The document continues:

It was only the pace of tariff reductions recommended by the commission, that is, to 15 per cent in 2 000, that we disputed on the grounds that the implied reduction of 2 per cent per annum in all input costs relative to world best practices in Japan was beyond any realistic assessment of the industry's capacity. The commission itself had concluded that its own proposals would result in a massive 25 per cent reduction in output and employment in the industry, even if they were accompanied by a comprehensive program of economic reform. We proposed to the Government that a realistic improvement target of 1 per cent per annum should be adopted by providing for a tariff reduction from 35 per cent in 1992 to 25 per cent in the year 2000. Despite our representations, the Government accepted the recommendations of the commission in its industry statement of 12 March 1991, and since that time we have focused on the challenges that arise out of that decision and endeavoured to develop strategies that might induce our overseas shareholders to invest a further $500 million in a Magna replacement to be manufactured in Adelaide.

The investment decision has to be made in the latter half of 1993, and even under the present tariff regime the outcome of our shareholders' deliberations is difficult to predict. If the tariff level is further reduced or if there is any uncertainty about the level that may prevail in the second half of the 1990s, it is unlikely that the decision would be to invest in the Australian automotive manufacturing industry. Instead, future models would be imported.

Further, the document states:

During that same period Mitsubishi in Adelaide has raised—

and this is up to this time—

its productivity to levels comparable with high volume European plants, achieved quality levels approaching world best practice and has had its management policies independently rated as superior to those of all other automotive producers except the Japanese.

The reality is that the Australian domestic market for passenger motor vehicles is simply not large enough to support a viable internationally competitive industry. Increasingly we must focus on vehicles and components which meet the requirements of both the Australian market and the overseas niche markets.

Response to this export imperative would not have been possible without the encouragement provided by the export facilitation scheme. It has been the essential policy element behind the industry's dramatic export growth of over 200 per cent since 1984 in excess of $1.1 billion in 1991 as well as the growth in MMAL's exports over the same period from under $10 million to over $100 million in 1992.

Provided we meet our quality and reliability obligations under these new contracts and provided we remain as a manufacturer in Australia, we believe that MMAL has an excellent chance of expanding its role in the Mitsubishi global network. If this were achieved we believe Mitsubishi's export potential would be in the region of $400 million per annum.

A significant choice is confronting the MMAL (Mitsubishi Australia) shareholders about the $500 million investment. Further, the document states:

The choice in late 1993 for MMAL's shareholders between investing $500 million in further manufacture or importing future models will rest on an assessment of the risk of potential losses in Australia due to the speculative nature of cost savings from promised economic reforms compared with the certainty of a loss of revenue of $120 million over a model life for each reduction of 10 per cent in the tariff.

This investment decision will be made in an international context where virtually every major automotive producing nation except Australia rewards automotive manufacturing investment by significantly restricting access to imports. It is critical that the setting of the Australian policy environment recognises this decision-making context in which the shareholders in the Australian industry must operate and ensures that vehicle manufacture in Australia remains investment competitive.

Further detail is contained in a later submission regarding protection of the motor industry by other nations, which I will get to shortly. The submission of the Engineering Employers Association, written by Mr Bob Manning, states:

In the early 1970s, the Engineering Employers Association numbered among its members several large companies involved in consumer electronics, and we are only too aware of what befell that particular industry when Federal Government policy changed without considering the questions before this inquiry [the Democrat tariff inquiry].

All thinking Australians would, in retrospect, question a policy which surrendered its share of the world's fastest growing industry. Unfortunately that situation is irretrievable, we can only look back with regret.

It is therefore imperative that we consider the practical implications of the major policy adjustments advocated for the rest of this decade, lest as a nation, we incur, and come to lament similar irreversible losses.

The ORANI model of the Australian economy used by the Industry Commission in developing what has become current industry policy projects a contraction of employment and output in the automotive industry of between 20 and 40 per cent by the end of the decade.

In 1990 (that is, prior to the announcement of current policy), the National Institute of Economic and Industry Research (NIEIR), using their IMP model, estimated that with zero tariffs, employment would decline 42 per cent and output 32 per cent.

The broad convergence of these results, based on entirely different models, would suggest that: the difference between 15 per cent and zero tariffs is likely to be one of degree rather than orders of magnitude; for the purposes of assessing the impact of tariff reduction a figure of 30 to 40 per cent decline in both output and employment would yield results which might be regarded as acceptably indicative.

The question therefore becomes whether economic welfare is enhanced or suffers injury as a result of such a contraction . . . In 1973, 33 per cent of Chrysler Australia (now Mitsubishi) production went to exports. Markets included New Zealand, Thailand, South Africa, United Kingdom, West Indies, Pakistan and Indonesia, that is, markets that are now unattainable for us. In the same year, GMH, who at that time was out-selling competitors many times over, exported 13 per cent, while total exports from the industry in 1973 accounted for 26.5 per cent of production. This compares with 22 per cent for last year . . .

Furthermore, these exports, for the greater part, were complete vehicles, (usually in pack form) and the vehicles were 95 per cent to 98 per cent Australian content (as distinct from the substantial re-exporting) of imported componentry in current completely built up (CBU) vehicles. This Australian content even extended to design, process engineering and tooling . . . The most likely outcome, with tariff reduction proceeding as planned is that the cost penalty of further scale reduction would only neutralise the effect of microeconomic reform—that is at best there would be no net price change, and at worst the gap would be driven wider by loss of scale. Given that worst scenario and the consequent ultimate demise of local production, Australia is not the sort of market for which importers would enter a price war by reducing margins. It is very small in the global scheme of things, with little potential to enhance the economies of global operations through market share. It is likely to be viewed by multinational importers as a low volume market in which the

strategic justification for involvement would be based on premium rather than volume margins ...

Given some broad agreement that, by the end of the decade, automotive output would be down 30 per cent to 40 per cent we might reasonably inquire as to whether 'smaller will be better'.

Further quotes from the Engineering Employers Association are as follows:

It is evident that contraction of an industry already suffering substantial scale disability will almost certainly impair its performance still further. Indeed, it is possible that if local throughputs were to be reduced 40 per cent then there would be insufficient scale over which to recover fixed costs, associated with R&D tooling, plant and equipment, selling and administration. In other words, at those lower volume levels the industry is in danger of losing the critical mass necessary for it to continue operating, and whilst modelling may show output reduced 40 per cent, reality could well be 100 per cent. This is well illustrated by a component supplier to the automotive industry who produces plastic gear knobs, with 60 per cent of production going to automotive, and the balance to washing machines. The same equipment and raw materials are used for both applications, and the same sort of plastic injection moulding dyes are designed and built by the engineering staff. If the automotive business were to be lost, economic modelling would show output reduced 60 per cent. In the real world, however, output would be down 100 per cent because the residual washing machine business could not support the fixed cost structure which was previously shared by automotive. Thus, in summary, we would conclude that all the evidence and experience suggests a planned contraction of the industry is likely to weaken rather than strengthen it; the extent of lost output and employment is likely to be greater than projected by economic models; there is a danger that under such a planned contraction the industry size could fall below the point of critical mass and disappear altogether.

I seek leave to insert in *Hansard* a table of Asian policies for passenger car imports, which spells out the quotas and tariff policies for Korea, Taiwan, Malaysia, Thailand, Indonesia and Australia without my reading it.

Leave granted.

ASIAN POLICIES FOR PASSENGER CAR IMPORTS

COUNTRY (POP'N)	ANNUAL DOMESTIC CAR MKT SIZE	QUOTA/ RESTRAINT ON CBU IMPORTS	CBU TARIFF POLICY	LOCAL CONTENT REQUIREMENT
Korea (45 million)	780 000	Yes, Curb on Japanese	Tariff & special taxes total 55 per cent	Same tariff/taxrates for CKD components as for CBU cars. Special licence also required if similar made locally.
Taiwan (20 million)	330 000	Yes, Ban on Japanese USA/Europe only allowed.	Tariff of 30 per cent is applied.	Local content of 50 per cent is required for local production.
Malaysia (19 million)	125 000	Yes. Limited to 5-8 per cent	Tariff upwards of 140 per cent applied.	No mandatory level 40 per cent tariff on CKD components.
Thailand (57 million)	75 000	No.	Tariff and excise tax of 121 per cent for small cars. 189 per cent for large cars.	No mandatory level 120 per cent tariff on CKD components.
Indonesia (185 million)	65 000	Yes. Imports of CBU cars banned.	N/A	High local content by way of 100 per cent tariff on CKD components.
Australia (18 million)	400 000	No.	Tariff of 35 per cent applied.	No mandatory level. 35 per cent tariff on imported components beyond 15 per cent by-law entitlement. Duty can be offset by export credits.

The Hon. I. GILFILLAN: I also seek leave to insert in *Hansard* a table which outlines the Japan/major market restraint agreements dealing with the United States of America and Europe without my reading it. Leave granted.

JAPAN/MAJOR MARKET RESTRAINT AGREEMENTS

COUNTRY/ REGION (POP'N)	ANNUAL DOMESTIC CAR MKT SIZE	JAPANESE SHARE OF DOMESTIC MARKET UNDER AGREEMENT	OUTLINE OF RESTRAINT AGREEMENT
USA (250 million)	10 million	16.5 per cent approximately.	Japan is restricted to an annual export limit of 1.65 million vehicles, recently reduced from a 1985 agreed limit of 2.5 million vehicles. Its 1991 exports totalled 1.73 million.
Europe	13 million	16 per cent.	Japan restricted to 16 per cent of market until end of century. This is forecast to equal 1.23 million vehicles. Its 1991 exports totalled 1.21 million. Restricted to be adjusted in event of changes to forecast volumes. Also Japan to exercise restraint on building of factories in Europe.

The Hon. I. GILFILLAN: Other countries with tariffs in other products, other than automotive (and I list them for members' interest) are as follows: Philippines, 30 per cent; Malaysia, 30 per cent; Indonesia, 30 per cent; Republic of Korea, 9 per cent; Thailand, 35 per cent; Taiwan, 17.5 per cent; Singapore, nil. Import duty applied by Australia for similar products from developing countries was 5 per cent which will be reduced to nothing by 1997 and, from developed countries, 10 per cent reducing to 5 per cent in 1997.

This is relating to a product of one of the Engineering Employers Association's larger member companies which was involved in automotive and other markets and has supplied those figures in respect of the non-automotive product. It is sadly significant that this company is closing its South Australian operations and is withdrawing from certain market segments and consolidating the rest back in the eastern States—and 400 jobs will be lost as a consequence. The report continues:

The tables describe only those trade barriers based on the tariff and quantitative restrictions- In many countries around the world, less overt and sometimes more effective barriers are erected through non-tariff mechanisms such as licensing, labelling, standards and inspections. Indeed, the Department for Foreign Affairs and Trade in their publication 'Non-Tariff Barriers to Export' catalogue some 1 600 instances of subtle but effective non-tariff protection measures.

Mr Jac Nasser of Ford sums up the situation thus:

Australia—with a 35 per cent tariff on cars and a 15 per cent tariff on light commercial vehicles—already has one of the most free automotive markets in the world.

The report continues:

The A.D. Little review of the South Australian economy concluded that the State will need to greatly expand export activity and, given our industry structure, canvassed lightly international market opportunities.

In an appendix written by the consultant's international automotive experts, it was stated that there would be no opportunity in Europe because protection was being maintained in that market to secure the economic growth necessary for the re-unification of Germany. Clearly, economic planners in Germany and Australia have diametrically opposing views, one or the other has it very wrong ...

Do we need the automotive industry? In asking the question, the first issue to be addressed is that of the immediate quantifiable effects. The Australian Automotive Industry directly employs some 50 000 people and has an output of $5 billion per annum. Given an employment multiplier of 2.2 and an output multiplier of 2.8, this accounts for some 160 000 jobs in Australia, and approximately $14 billion total output.

Thus loss of the automotive industry would give rise to a need to find some 110 000 jobs elsewhere in the Australian economy, producing $14 billion output and to generate some $5 billion in exports (assuming no significant price reduction in imports) just to maintain the status quo. These figures are derived from economic modelling which EEA believes may considerably understate the real contribution of the industry, for reasons outlined later in this submission.

In the event of the industry not being lost but actually conforming to the Government's projections (through the Industry Commission and the ORANI model) the national losses would be 40 per cent of those outlined above: employment, -64 000; output, -$5.6 billion; and balance of payments, -$2 billion ...

The automotive industry is the most extensive user of computer-based robotics, CAD/CAM and numerically controlled equipment. It has the greatest application of microchip technology in consumer durables. Since a car is a mobile package of product technologies, it provides a focus for and concentration of R&D.

Mr President, the case is very strongly put in this submission for us to fight to retain a motor industry in Australia. Clearly this submission points out that the foreseen tariff adjustments of the current Federal Government, and more so with the Opposition, would lead to the demise of the motor industry in Australia. As South Australian politicians, I believe that we must ask whether we can afford to see this industry lost to this State. Even the Button car plan, which set tariffs at 35 per cent and reserved 80 per cent of the market for local product, was predicated on total local production of 399 000 units. It is clear that that has never been achieved since the plan was announced in 1984.

All those predications of the Button car plan have been thrown into disarray. It is not just the car plan. Engineering employers point out that the appliance industry is under similar pressure. It graphically displays how local washing machines and refrigerators are losing market share to imports and, as that happens, the profit generation for the State and employment in this State is cut.

I realise that it is not appropriate to put the full details of the various submissions into my speech. However, I will indicate a few points from some very valuable contributions. First, I refer to the submission from the United Trades and Labor Council. It states:

The range of measures routinely used by Governments around the world to protect and develop industry include: maintenance of tariff barrier protection over a range of industries; import restrictions including quotas where necessary to restrain import penetration when imports threaten to damage local industry; anti-dumping measures, positive assistance measures to help industry modernise and compete internationally in export markets; national Government intervention in major resource development projects to ensure local industry benefits from such projects through technology transfer and participation in projects; and rigid enforcement of national industry standards on imported goods (that is, food, automotive components, clothing).

The UTLC submission quotes Senator Spindler from an article in the *Financial Review* of 5 October 1992, as follows:

The heavy engineering sector records 60 per cent loss of production to imports, the furniture industry 35 per cent, and textiles, clothing and footwear 50 per cent. Last July, the car industry recorded imports 40 per cent higher than 12 months ago.

That is Australia-wide. It is alarming that so many responsible South Australian organisations keep emphasising over and over again the devastation of the current tariff policies on Australia's capacity for manufacture and employment. It particularly affects South Australia and Victoria. The UTLC pointed out that, with respect to 1990-92, South Australia and Victoria accounted for 80 per cent of all jobs lost in Australia in that period.

It is worth considering how other countries use artificial arrangements. The UTLC submission states:

Countries like France use artificial arrangements to comply with European Commission rules on imports, while effectively restricting access. For example, all Japanese video recorders imported into France have to pass through a small rural village well away from all ports of entry!

That is a pretty neat trick, but apparently it does not break any rules. It makes sure that the French market is not flooded with Japanese imports.

There are many sad instances of businesses which are winding down and moving out of Australia, particularly South Australia. South Australian manufacturing employment fell by 19 per cent over the past two years.

For example, Blip Long products has announced an accelerated voluntary retrenchment program which will result in the loss of 1 200 jobs in Whyalla in the next 16 months. Tubemakers has recently announced its intention to join the list of Australian and trans-national companies which are moving offshore. Automotive components producer Yazaki has moved production to Western Samoa after laying off over 2 000 workers in both South Australia and Victoria. In the textile, clothing and footwear industries, small Adelaide-based manufacturers Needlepoint and Hipoint have both recently moved to Fiji, while Corfu is moving to New Zealand.

It was an alarming and unhappy experience to hear the well prepared and documented evidence presented by these groups. They point out how South Australia is hurting. The Chamber of Commerce and Industry made an excellent submission. It pointed out how significantly manufacturing has contributed to tax revenue in Australia and South Australia, in particular. Its submission states:

> Manufacturing is a great generator of activity in other sectors of the economy. Australian Bureau of Statistics input/output data indicate that every $100 worth of manufacturing generates $297 worth of economic activity. The comparable figures for mining and agriculture are $250 and $230 respectively. The taxation story is also supportive of the importance of manufacturing. In 1991, manufacturing paid $5.5 billion in indirect taxes (agriculture $1.4 billion and mining $1.85 billion).

The chamber views the automotive industry as a key element of manufacturing in Australia and points out, as I mentioned from other submissions, that it sees it as dramatically at risk unless there is a substantial change in the tariff policy. The chamber points out, as others do, that the concept of a level playing field in general world terms just does not exist. It makes the point that there is no reason why Australia should be the sacrificial lamb for the economic rationalist movement. It continues:

> The chamber finds it hard to understand why nearly every major country in the world imposes quotas on imports of textile, clothing and footwear products under the auspices of the multi-fibre agreement and within the GATT framework, yet Australia sees fit to change the rules at will, render the quota system in Australia ineffective and allow widespread disruption of its domestic industry.

The Vehicle Builders Employees Federation of South Australia also presented a submission, and obviously it is greatly concerned about the effect of tariff reductions on that industry. Its submission spelt that out in some detail. I am sure that members who are interested in looking at these documents will find them informative, and I invite them to approach me and I will make them available to members and to other outside parties.

Because we have tended to view the rural sector as being strongly supportive, I should like to emphasise that we received a strong submission from the Riverland Growers Unity Association, which specifically discussed orange juice, but it is not limited to that. It dealt also with dried fruit and nuts, and it is obvious how devastating the current policy is on the continuing viability of the citrus industry in Australia.

We desperately need to protect existing industries in this country. We do not need to mollycoddle them, but I do not believe that having sensitive and constructive tariff protection is mollycoddling. It is worth looking at the MTIA ledger of tariff reductions and micro-economic reform (No. 2), because it lists a whole range of products and materials which are currently manufactured in Australia, including padlocks, stainless steel and tyres. The Federal Government's policy to reduce tariffs to 5 per cent by 1996 will produce a 70 per cent reduction in tariff protection in some cases. It virtually means that we will lose enormous areas of the current manufacturing capacity of this country.

It is too high a price to pay. It seems to me that there is a myopia in New South Wales, Queensland and Canberra that prevents people from seeing the devastating effect that is already taking place, let alone the movement to 5 per cent in 1996. I cannot understand the logic or the lack of sensitivity to or lack of awareness of the evidence that we received at the inquiry on 19 October.

In concluding my contribution to this Appropriation Bill, I urge all members to continue to pressure the Federal Government and the Federal Opposition, which seem jointly to have this inability to estimate accurately the effects of their policies, to review it. Otherwise, whatever dilemma and whatever tragedy there is in Australia in relation to unemployment and businesses going bust in 1992 will be a shadow of what will happen when the real impact of 5 per cent tariffs starts to hit in 1996. I support the second reading.

The Hon. R.I. LUCAS (Leader of the Opposition): Since I have spoken on the earlier occasion on which this Bill was before us, I rise only to list half a dozen questions for the Minister of Education, Employment and Training, to help expedite our discussion of this Bill so that the Minister, as she has done already in relation to some earlier questions, can bring back some answers during or perhaps before the Committee stage.

The first question is in relation to the upgrading of the central office of the Education Department. I seek from the Minister a breakdown of the estimated costs not just of stage 1, which has been provided already, but of the total cost of all stages of the proposed renovations of the fifth floor, as well as those of the ninth floor. Will the Minister provide a detailed breakdown of what work was undertaken for each of those floors and the cost of each section of that work?

Secondly, in relation to what used to be known as the northern area office of the Education Department, Elizabeth House, the original rental of that building was $291 000 in 1985. The Minister has indicated that the current rental is, I think, only $259 000. Will she indicate the annual lease payments from 1985 to 1992 for Elizabeth House?

In relation to the annual rental savings of Government offices, the former Minister of Education indicated that there would be annual savings at Murray Bridge of $175 000, at Noarlunga of $118 000 and at Elizabeth of $172 000. Will the Minister indicate whether they are estimates of savings currently being achieved or estimates of some future savings and, in particular, I refer to the projected saving at Elizabeth of $172 000? Will the Minister provide a breakdown as to how that saving is to be achieved and in which buildings?

The third question relates to the number of GME Act employees in the Education Department. The financial statement budget papers for 1991 and 1992 show that the number of GME Act employees declined by 81.6 full-time equivalents (FTEs) between 1991 and 1992.

The Auditor-General's Reports for 1991 and 1992 show that the number of public servants declined by only 67 FTEs. During the Estimates Committees, the Director of Resources in the Education Department indicated that there was a decline of only some 67 or 81 FTEs because the reduction in GME Act employees became operational only from 1 January 1992 and, therefore, when one looks at the Auditor-General's figures, which are average FTE positions for the whole year, one sees that the reductions are somewhat less than they really are.

However, that does not explain the reason for the financial statement figures, which are actual employment as at 30 June 1992 and actual employment as at 30 June 1991. To follow the argument from the Director of Resources, certainly by 30 June 1992 there should have been a significantly larger reduction in GME Act employees than the reduction of only 81.6 FTEs.

Again, I ask the Minister of Education, Employment and Training whether she will indicate why the decline as outlined in the financial statement papers is only 81 FTE positions if the Minister and the former Minister are still indicating that, as a result of the 1991 budget, there was a reduction of 300 non-teaching positions in the Education Department.

The fourth question relates to the Language Other Than English (LOTE) program. In the Estimates Committee a question, which has yet to be answered, was asked as to how many extra LOTE teachers will need to be employed each year to allow the Government to meet its promise that every primary school student in 1995 will be able to study a language other than English, and I seek that response from the current Minister.

Similarly, a question was asked during the Estimates Committees in relation to two former members of staff in the Minister's office and the means by which they achieved appointments within the Education Department. The former Minister of Education said during the Estimates Committee that he would obtain details of those appointments. The questions to which I seek a response from the current Minister are:

1. Were these positions advertised?

2. Was a panel appointed to select the successful applicants?

3. What salary package has been given?

As I said, the former Minister indicated that he would provide answers to those questions. At the same time, I seek from the current Minister the number and classification of and remuneration package payable to staff currently in the Minister's office and those to which she might be entitled. There may well be only a dozen officers there now but, if she has an entitlement for others, I would like to receive that information.

Finally, I ask the Minister to provide an answer on the power of school councils in relation to the Education Review Unit report. Do school councils have the power to prevent the publication of Education Review Unit reports or to delay their publication in South Australia if they are unhappy with some aspects of those reports? Secondly, do school councils have any power to force amendments or changes to reports that have been conducted by the Education Review Unit into their particular schools?. That is all that I wanted to put on the record at this stage, and I support the second reading.

The Hon. K.T. GRIFFIN: I want to trace the course of this Appropriation Bill for a few minutes and then to deal with some specific issues, largely relating to matters arising from the consideration of the budget in the Estimates Committees of the House of Assembly. This Appropriation Bill is now back before us, having been returned to the House of Assembly after some discussions last week in this Council that would have allowed the issue of the restructuring of the Public Service to be considered in the House of Assembly prior to the Appropriation Bill's being further considered by the Legislative Council.

It needs to be remembered that the new Premier (Hon. Lynn Arnold) announced his restructuring of the Public Service and the allocation of portfolios on 1 October 1992.

At that stage the Appropriation Bill was still before the House of Assembly. It had been through the second reading stage and had also been through the Estimates Committees. The final week of debate was on the report of the Estimates Committees, with the final passing of the Bill in the House of Assembly to take place during that week after the restructuring was announced. So it does puzzle me that an opportunity was not taken at that stage to amend the schedules in the Appropriation Bill and to provide an opportunity for debate on those restructurings at that stage. But that was not to occur. The Bill was received by the Legislative Council on 14 October and we commenced the debate at the second reading stage, after which the Bill was returned as a result of the message from the House of Assembly.

The events that occurred in the House of Assembly mean that we are considering the original Bill and, as I understand it, we will be considering further procedures in relation to the Bill during consideration in Committee. I suppose that one does need to reflect upon the proposed changes in the schedule of the Appropriation Bill, because, although it does make some significant departmental changes, I understand that it merely reallocates the programs which were in the original budget papers in the Program Estimates and information booklet, which was really the basis for consideration of the budget before the Estimates Committees.

A number of questions have arisen as a result of that restructuring. I raised some questions last week about three matters which had been drawn to my attention: for example, the attempt by proclamation to transfer all the staff of the Intellectually Disabled Services Council to the Department for Family and Community Services and the failure to deal adequately with the statutory requirements which place specific responsibilities upon the Minister of Agriculture and the Director-General of Agriculture as well as the Minister of Lands and the Valuer-General. As I indicated in my explanation to a question that I asked last week, there was a great deal of concern that that had not been the subject of any consultation either with the Intellectually Disabled Services Council or the staff, or, more particularly, with the consumers who had over the past 10 years developed a close rapport with the Intellectually Disabled Services Council.

It was quite obvious that the Government did not understand that it was an incorporated health unit under the Health Commission Act, that it was designed specifically to have a measure of independence from the

Health Commission and from the operations of the Health Commission, and designed to act as an advocate for intellectually disabled people, and that that model was established 10 years ago, directly as a result of the second Bright report on the law of persons with handicaps, the second report dealing with intellectual disability.

It was specifically because of the recommendations of the late Sir Charles Bright that the separate statutory corporation structure was adopted by the Tonkin Liberal Government, with a view to providing a measure of independence as well as specialisation, which did not specifically identify those who were served by the IDSC as welfare recipients. One of the concerns that was raised at the time was that if the needs of disabled people were serviced by the Department for Family and Community Services they were more likely to be categorised as welfare recipients but that they were not welfare recipients, that they had a disability and that the focus ought to be on that and the converse ability which ought to be recognised.

There was even concern about intellectually disabled persons being regarded as mentally ill, and that connotation could have been placed upon it by virtue of the fact that this was an incorporated health unit, but that difficulty was largely overcome in the establishment of the statutory corporation. So it was rather disturbing when the Liberal Party heard about the change and the consternation that it had created, that the Government had not initially given consideration to that when it purported to transfer the staff, with ultimately the objective, I suspect, of getting rid of the IDSC.

So they are issues which do need to be addressed in the context of the restructuring, issues that were not well addressed by the Government. The Premier did indicate, when he was elected by the Labor Caucus, that there would be a Cabinet reshuffle. He did not identify the form of that reshuffle but took the view that it would not be appropriate to undertake that reshuffle until after the Estimates Committees had been held so that the Ministers then in their portfolios would be able to properly address the questions raised by members on the Estimates Committees.

The difficulty with that is that, whilst it facilitated the answering of questions by the Ministers, it gave no indication to members of the House of Assembly what the new structure of the Government would be and what the responsibilities of the various Ministers might be, and so there was no opportunity to raise questions to the Government and to the Ministers on the way in which the restructuring was occurring. When members of the House of Assembly were confronted with a new schedule, which had a significant impact on the Appropriation Bill, there really was no opportunity to explore with the Government all the changes which had occurred, the consequence of the changes and to make whatever criticisms were necessary as a result of that new schedule being brought in at such a late stage.

I come back to my original point, that I think that it was unfortunate that, whilst the Bill was in the House of Assembly, and after the Estimates Committees, the Government did not take the opportunity then to restructure the schedule so that it could have been properly debated during the final stages of consideration of the Appropriation Bill in that House, before we got into the somewhat difficult procedural situation that we are now experiencing.

It is important to recognise that the restructuring did not contribute to smaller Government, that all the programs in the Program Estimates are intact, with just some minor rejigging, as I think it has been described. Basically, the budget that we are considering, with whatever amended schedule is to be proposed, does not result in smaller Government. It results in some so-called super-ministries but very little bureaucratic restructuring, so far as we are able to ascertain at this stage. In his response or during the Committee stage the Attorney-General may care to indicate what the restructuring is going to achieve in terms of efficiency and smaller Government.

The constitutional position is something that we will have an opportunity to discuss during the Committee stage, as I understand it. However, it is important to make a few passing comments now about the difficulty that arises largely under sections 60 to 64 inclusive of the Constitution Act.

Those sections deal with money Bills, and section 62 provides that the Legislative Council may not amend any money clause. That really arises from a compact which was agreed between the House of Assembly and the Legislative Council back in 1877 where the Legislative Council sought to amend a money clause and, as a result of the conference, appropriate procedures were agreed between the two Houses.

Section 62 (2) of the Constitution Act allows the Legislative Council to return any Bill containing a money clause back to the House of Assembly, with some suggested amendments, and the House of Assembly may in those circumstances consider those suggested amendments.

However, that does not extend to a money clause contained in an Appropriation Bill, except in those circumstances where the clause, that is, the money clause, contains some provision appropriating revenue or other public money for some purpose other than a previously authorised purpose or dealing with some matter other than the appropriation of revenue or other public money.

Section 60 contains a definition of what is a 'previously authorised purpose'; it means:

(a) a purpose which has been previously authorised by Act of Parliament or by resolution passed by both Houses of Parliament;

(b) a purpose for which any provision has been made in the votes of the Committee of Supply whereon an Appropriation Bill previously passed was founded.

I have been trying, in the short time I have had, to consider what is the origin of the Committee of Supply. I suspect that it is the Committee stages in the House of Assembly, where there is consideration of a money clause or, more appropriately, an Appropriation Bill. But it seems to me that a previously authorised purpose, as defined, is one where there has been previously an appropriation of money.

The Standing Orders of the Legislative Council way back in 1915 do refer to the words 'Bill previously passed', and the commentary in that edition is that those words apparently mean 'Act of a previous session'. If that is to be taken as the meaning, if one looks at the schedule to the Appropriation Bill, it seems to me that all the purposes of the appropriation are identical with an

appropriation in a previous Appropriation Bill in 1991 and, therefore, no new purpose is being provided for in the schedule which would then enable the provisions of section 62 (3) to operate.

I am all for giving the Legislative Council the widest possible powers, but I do believe that in considering this issue one must have regard to the provisions of the Constitution Act, the provision of the law and, whilst they may be subject to differing opinions, it seems to me fairly clear that it is not within the competence of the Legislative Council to seek to make a suggested amendment to the schedule.

So, I will be interested to hear the debate, particularly from the Attorney-General, on that issue and also to hear the opinion of the Crown Solicitor and that of the Solicitor-General which I understand the Attorney-General has sought. If he is able to do so, I should appreciate having access to those opinions some time before we consider the constitutional question later in the Committee stages of the consideration of this Bill.

I suppose the protection ultimately for the Government, if it gains a majority in this Council, is section 64, which provides that no infringement or non-observance of any provision of the preceding three sections shall be held to affect the validity of any Act assent to by the Governor. Notwithstanding that, it is important for us not to ignore the Constitution Act, which is the basis upon which we operate and not to ignore either the sensitivity of this issue of money Bills in the Legislative Council, an issue which was particularly sensitive in 1877.

As I indicated earlier, that resulted in a conference between the two Houses, because the House of Assembly at that stage took the view that the Legislative Council had no power to amend a money Bill, the Legislative Council insisted that it did and ultimately the procedure of a suggested amendment was accommodated. It may be that, if that is the course which the majority of the Council is to follow on this occasion, there will be some longer-term consequences of that to which members ought to give some serious consideration before finally addressing that issue and making a decision on it.

There are several matters relating to the Estimates Committees and the Appropriation Bill to which I want to refer. They mainly raise some questions to which I would ask the Attorney-General to give some consideration, either before replying at the end of the second reading or during the Committee consideration of the Bill.

In one of the answers to questions raised in the Estimates Committees involving the draft corporations agreement, an issue on which I have raised questions in the Council on several occasions and which has been raised in the Estimates Committees on several occasions, it is pleasing to note that we might be getting a little closer to an agreement between the Commonwealth and the States about the Corporations Law—an agreement which I am of the view should have been in place before the Corporations Law came into operation, and recognising that the longer it was left the more difficult it might be to achieve agreement, because the Commonwealth would have *de facto* and legal control and might not be so willing to accommodate the views of the States in any formal agreement.

In the answer which has been supplied subsequent to the Estimates Committees, the Attorney-General has indicated that the draft agreement is on the agenda for the next ministerial council meeting but that a few clauses require consultation within Government. It is not clear from that answer what those clauses may be or the reason for consultation and whether that consultation is only within the State Government or whether it is between Governments at State and Federal level. I wonder whether, during the course of his reply, the Attorney-General might give some further information about that issue in the context to which I have referred.

In relation to criminal injuries compensation, again in answer to some questions in the Estimates Committee, the Attorney-General provided information about recoveries have been made from defendants. He said that there were 537 claims for criminal injuries compensation and, of these, 109 were unknown offenders. During the past financial year 200 debts were written off, with the majority of those being unknown offenders. The Attorney-General did go on to say, 'Commonwealth legislation now prevents offenders being located through credit protection agencies.' I presume that he is referring to Commonwealth privacy legislation.

It seems rather curious to me that legislation should prevent Governments from locating the whereabouts of offenders who may either owe fines or other pecuniary sums or compensation to the Government. I wonder whether the Attorney would be able to give some further clarification as to why that avenue is no longer available to the State, whether any representations have been made to the Commonwealth with a view to trying to overcome that problem and whether the Government has in fact sought other ways by which the inability to gain access to that information might be overcome and the information achieved in some other manner.

With respect to electoral matters, there are two issues I want to raise. The first is in relation to a habitation review earlier this year. The Hon. Dr Eastick wrote to the Attorney-General about the inconsistency of the brochure which had been left in the habitation review at a home and which did not adequately address issues under South Australian law. The Attorney-General responded that the State contributes half the cost of the habitation review but so far the State has had little or no say in the production of such pamphlets. The Attorney-General in his reply to Dr Eastick said that the major problem is in the conflicting legislation, which of course does not only apply to the first time enrolment situation.

I acknowledge that there is a difference between State and Federal law but, if there is to be a brochure which is circulated to electors or potential electors, one ought to be able to expect that there has been some consultation between State and Federal electoral authorities with a view to ensuring that both State and Federal legislative requirements have been addressed. I wonder whether, on that issue, the Attorney-General might be able to indicate what steps are being taken other than in relation to the Federal Joint Standing Committee on Electoral Matters report which was recently published to overcome that problem.

The only other issue in relation to electoral matters is in relation to non-voters. I raised this issue in relation to the last State election, where a substantial number of

South Australians failed to vote at the State election in 1989 and there was a substantial cost but very little benefit achieved by the follow up of non-voters by the Electoral Commissioner. In the Estimates Committee the Attorney-General was asked questions about non-voters and has subsequently provided an answer which indicates that at the February 1991 referendum 54 000 'please explain' notices were sent out by the Electoral Commissioner and 15 000 expiation notices issued; 8 500 of those were withdrawn, 6 148 were the subject of expiation fees being paid and some 401 summonses were printed; 176 of those were withdrawn and ultimately 225 non-voters were fined $15 plus costs.

What I would like to ascertain, if the Attorney-General can obtain it for me, is the actual cost incurred by the Electoral Commissioner in staff, overtime and resources in issuing the 'please explain' notices and all the follow up procedures ultimately to find that 225 non-voters were actually fined—225 non-voters out of an original 54 000 'please explain' notices. There must be a substantial cost in that with no benefit. It reinforces the view that I have expressed on many previous occasions that we ought to be seriously addressing the issue of voluntary voting. In those circumstances one would not have to worry about 'please explain' notices which presently seem to be something of a farce.

In relation to the Attorney-General's legislative and law reform program, questions about which were raised in the Estimates Committee, the Attorney-General has given an extensive list of matters which are being considered by the Standing Committee of Attorneys-General as well as by his own office, and those matters which might be the subject of legislation in the current session. In his answer, which was provided subsequently, the Attorney-General said that among the amendments which might be introduced in the current session is one concerning whistle-blower protection and another which has already been the subject of some publicity but no firm time has been indicated as to when that will be introduced, and I would not mind having some information about that.

Other amendments relate to the Wrongs Act and the Motor Vehicles Act and they were requested by SGIC. I know we will see what is in those amendments when they are introduced, but if it is possible for the Attorney-General to indicate the areas which have been the subject of request by SGIC and are likely to be the subject of amendment I would certainly appreciate receiving that.

He also refers to miscellaneous amendments to the Equal Opportunity Act being considered as well as to the Wills Act, and I would appreciate some information as to what areas are being considered. The same applies to the reference in his answer to the disqualification of members of Parliament being another area under consideration. I am not sure whether that relates to amendments to the Constitution Act provisions which deal with those areas with which members of Parliament may not have contracts with the Government or Government agencies, but it would be something upon which there could usefully be some consultation if that is the area of consideration. If it is something else, we would certainly like to know, and because it relates to questions of members of Parliament I think we are entitled to know what is being considered.

The Attorney-General refers to various matters arising from the work of the Standing Committee of Attorneys-General. Several of those have been considered—criminal law application of laws and acts interpretation are two, and I think the financial transactions legislation. He refers to several more which are almost ready for introduction, including amendments to cross-vesting, and to legislation in relation to financial transactions, which has already been introduced. Again, I wonder whether the Attorney-General is able to give us some more information about those matters.

In his reply, the Attorney-General also referred to the Standing Committee of Attorneys-General, which has addressed problems related to complex fraud trials. I have seen some public comment about that issue but, if there are papers which he says are now the subject of consultation, I wonder whether it would be possible for the Opposition to gain access to them. There may be a few issues in the area of consumer affairs that I want to raise during the Committee stage of this Bill. However, the areas in which I am primarily interested are those to which I have made reference today. I support the second reading.

The Hon. DIANA LAIDLAW: 1, too, support the second reading of this Bill. During questions today I interjected that I thought the handling of this Bill was a shambles, and I remain of that view. I look back with interest to the motion moved by the Attorney-General last week that 'the request contained in message No. 33 from the House of Assembly be agreed to and that the Appropriation Bill be withdrawn forthwith and be returned to the House of Assembly'. At that time I interjected again—perhaps this is becoming a habit of mine—that this schedule should have been amended when the Bill was in the other place and before it came to the Legislative Council. The Attorney-General acknowledged my interjection in the following manner:

> The Hon. Ms Laidlaw interjects and says that it should have been amended in the Lower House. That is a reasonable point, I suppose, except that the device within Government has been somewhat different on this point and there was a view that the Public Finance and Audit Act could be used to make the reallocation after the Bill was passed; but that is not the view of the Solicitor-General.

I remain unconvinced that this Bill should not have been amended when the Government had the opportunity to do so early in October. The farce that we have witnessed in recent days and all the uncertainty could have been avoided if the Government had acted in a reasonable manner in the first place.

I remain uncertain about various aspects of the administration of Government. The schedules to the Appropriation Bill, as introduced and as later amended, do not help to clarify the situation. For instance, the Office of Transport Policy and Planning is noted in both schedules as receiving an estimated payment of $5.321 million but, as all members may recall from questions that I have asked of the Minister of Transport Development, it is most uncertain what the fate of that office is. The office was to be abolished when the new Premier made his announcements about the restructuring of the Public Service. However, the new Minister, in her

wisdom, decided that she needed the office to coordinate many of the matters within the diverse and often complex transport portfolio.

I also believe that she came to understand very quickly that, in the transport field, there are issues that range across all transport-related portfolios including road transport, the STA and the Marine and Harbors Department. Some matters have relevance to the Federal scene and, whether it be the management of our railways through Australian National or the National Rail Corporation or road funding matters and the introduction of road cost charges, it is important that there be the expertise of officers such as those in the Office of Transport Policy and Planning.

At this stage I do not think the Minister knows, as I do not know, what the fate of her request for the re-establishment of the office will be. I hope that the matter is resolved quickly so that she can get on with her major responsibilities of administering the important transport portfolio. As I said, it is surprising that, in both schedules, the office is noted when the only formal statement we have had on this matter was from the Premier, who indicated that the office was to be abolished. If the office is retained, I do not know what its role will be in relation to the Department of Road Transport. The head of that department, Mr Payze, is to be given a coordinating role. He appears to have a role to coordinate the coordinator. The Minister and Government are very confused about this.

In terms of confusion, that was more than evident when the former Premier brought down the budget for this State for the forthcoming year. It sickened me with respect to what is planned for this State's future, not only the short term but also the longer term. It distresses me enormously that the Government is not addressing issues such as debt or how we can prosper. It does not encourage business to prosper, to employ people, to expand and to export. We see a—

The Hon. K .T. Griffin: They are rudderless.

The Hon. DIANA LAIDLAW: They are rudderless and a lot of statements come from the Government, particularly the new Premier, that it has a vision for this an*d* a vision for that and that it is trying to do this and hopes to get that.

The Hon. K .T. Griffin: They are illusions.

The Hon. DIANA LAIDLAW: As the Hon. Mr Griffin says, they are illusions, and it is about time that we saw some results in this State and that people in business can make a profit, employ people, expand and export. It is a devastating indictment of this Government that at least 45c in every dollar in State taxation is used to pay interest on the State debt. That 45c cannot be used to keep hospital beds open, employ extra police and teachers, maintain public transport services or to invest in the arts. It is 45c that we cannot use to help business prosper.

The budget is bleak because it does not address the gaping holes in this State, and I suspect that the Government has given up all effort and thinks it is all too hard. It will be ready to pass on to someone else to pick up its mess. As a member of the Liberal Party which I think will be elected at the next election, although I am not complacent about that, I view the prospect with some frustration because I do not see why we should have to inherit so many of the horrors of the Labor Party. Those horrors will frustrate us from being creative and exciting in terms of the initiatives that we would like to introduce. Those initiatives are critical if this State is to realise its potential.

The one subject I would like to dwell on today is the Jam Factory. I asked the Minister for the Arts and Cultural Heritage a couple of questions during Question Time today about the craft and design centre, and I was both amused and disappointed to note her replies. They are replies that will haunt her, because they are so out of touch with the depth of the problems and frustrations at the Jam Factory. I commend her for her valiant efforts to try to wallpaper over the difficulties there, but her efforts are misplaced and I think that she is foolhardy to have been so unqualified in her remarks.

As I say, I think that they will come back to haunt her. Certainly, I and others who have spoken to me about this issue will keep copies of the statements the Minister made today and make her accountable for those statements. For the Minister to say without qualification that the Jam Factory is in a healthy situation indicates that she is in cloud cuckoo land and reinforces the reasons why instrumentalities such as the State Bank and many other Government instrumentalities are in such difficulties.

The Jam Factory is far from being in a healthy financial state. One has only to look at the Auditor-General's Report to confirm that that is so. I refer to the Auditor-General's Report for the year 1991-92, where it is noted that the Jam Factory required $831 000 of Government subsidy to operate last year; that it incurred a deficit of $153 000; and that it had to eat into accumulated funds or reserves of $317 000, thereby whittling down its accumulated funds to $164 000.

With regard to those accumulated reserves of $164 000 at 30 June 1992, three years ago those funds amounted to nearly $500 000. If the Jam Factory continues to eat into its reserve funds as it did last year, requiring $160 000, there will be no reserve funds at the end of this current financial year. If the Minister thinks that that is a healthy situation, I hope she is not doing her own tax forms, because she will be in trouble if she is.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: She will certainly be in a jam, yes—a clever interjection. I am not too sure what the Minister meant by her statement at the end of Question Time today that she was aware of the one source at the Jam Factory that has spoken to me. If she believes that there is one person only who is talking to me, perhaps she could name that source, but I am quite convinced that she would be wrong. I would also like the Minister to know that I have done my work thoroughly in this regard, because I have spoken with people in this State and interstate who all have a keen interest in the arts, and they have repeated the message that the Jam Factory is sliding into a quagmire; that it lacks vision; that it requires management skills and someone who will take an interest in building up staff morale and commitment.

I am rather aghast that, in relation to the concerns I have expressed about the management of the Jam Factory, the Minister seems content to be reassured by management itself that the management is okay; that it is

alive and well. If I were Minister and concerns were expressed to me about the management of any company, I would not merely be going to the management to be told by those persons whose job and activities were in question that they were doing a good job. That, again, reflects very badly on the Minister.

I know for a fact that, after questions were raised during the Estimates Committees last month about the Jam Factory, the Chairman of the board (Mr Don Dunstan) opened his eyes and started talking to a number of people working in the Jam Factory, and he soon learnt that what the Liberal Party and other people had been saying to me was far from scuttlebutt. The Minister may be the only one who is comfortable with such suggestions, but she is naive in thinking that that is so. The sooner she speaks to the Chairman—who is currently overseas—the sooner she will realise that there is substance to the statements that have been made on this matter by the Liberal Party.

I am keen to know from the Minister, in respect of the Auditor-General's Report and the expenditure item, for instance, what is the break-up of the line 'Administration, other' which amounted to $180 000 last year. I am told that some of that money was used for the cost of a computer system, but it has also been used for to date undisclosed trips interstate. I am also informed that the CEO applied to the board very recently for an increase in his travelling allowance and that the board knocked him back. I am pleased that the board made such a decision.

There are other matters that I want to canvass today. For instance, four marketing managers have been employed in the past two years by the current CEO of the Jam Factory, and I want to know why all these appointments were made without the positions first being publicly advertised. I understand that the CEO will reply that it is a difficult job to find a marketing manager who has specialist knowledge in the crafts. If that is so, I question why he has made a further appointment in recent weeks, unadvertised, of a Mr Kym Crawford. Mr Crawford has worked at DJs in the merchandising field for some years but, if the CEO could not find a specialist person in craft marketing, why did he not choose to advertise publicly to find the best person with marketing experience?

However, that has not happened, and we now find that Mr Crawford has a further six month contract. This is a most unsettling and unhealthy situation. It is certainly a most unsatisfactory management practice. It is important that we know the full reason for the operating deficit last year of $153 000 which, as I indicated before, forced the board to use previously accumulated funds of $317 000 to help balance the books.

We need to know more about what the Government intends to do in respect of the City Style shop. That was to operate as a commercial venture and, so far, it has amassed losses of $206 000. Most other so-called commercial ventures would have been well out of business by now, but exceptions always seem to be made for the arts. The standards demanded of others do not seem to apply when it comes to the arts.

I say that with enormous regret, because I am a frequent shopper at the Citistyle shop, and I love the displays and the product, particularly the South Australian product; but there is something wrong when this venture was to be a commercial venture and when it has incurred just under a quarter of a million dollars loss. Yet we find that the Jam Factory board has established a further retail outlet at the new Lion Arts Centre. I am not too sure how many honourable members have been to that retail outlet, but on the occasions I have been there and have purchased from there I have been the only person present, and that has been in the afternoons or on weekends.

The Hon. T.G. Roberts: Nobody will shop with you!

The Hon. DIANA LAIDLAW: Well, nobody is shopping at all; that is the trouble. The honourable member should go down and see whether anyone is there when he is there. I bet he would find that that is so. That is the tragedy of what is happening there. I was very interested to receive from the Minister the figures from the Jam Factory that suggest what the turnover and profit will be for each month this coming year for the two retail outlets, because I suggest that a great deal of trouble is brewing in terms of the retail outlet at the Lion Arts Centre. I suggest that the figures are inflated in terms of expected outcome this year. Yet, I have been told that, notwithstanding the problems with the Jam Factory trying to operate commercial ventures, plans have been developed for the opening of a third venture at the Burnside Village shopping centre, and I suspect that taxpayers are sick and tired of heavily subsidising these retail outlets, let alone being too thrilled at the prospect of a third one opening.

I want to dwell on this issue of the furniture design workshop. As Mr McBride, CEO, well knows, I was very excited at the prospect of this workshop being opened. I had had a lot of contact with designers in Tasmania. I was also aware how they market Tasmanian design and product. I was impressed at how Tasmania had excelled in this field, yet South Australia with our Jam Factory was doing so little in this field. As Mr McBride knows, I fully endorsed this initiative. That does not mean that I am prepared to stand back and see a furniture design shop prove to be so incompetent in its management practices and nor will I stand back and be silent when, with Government funds, this furniture design shop is losing money.

I take great exception also to the deceit with which Mr McBride has presented figures for the budget and overruns of a recent church project at Our Lady of the Sacred Heart at Henley Beach. I spoke with them today and learnt that, although the outfitting of the church was to be completed four months ago, it is still not completed. I also have budgets from Primitive Neon, which is the trade name for the furniture design workshop, which indicate that this project was to make a $20 000 profit for the Jam Factory. The project, however, did not make a $20 000 profit but made a considerable loss, which as at 30 July 1992 was $36 210. If one is expecting a $20 000 profit and then incurs a $36 000 loss, by simple arithmetic one is able to work out that the project lost $50 000.

What Mr McBride continues to insist, however, is that it 'only' made a $15 000 loss. That $15 000 figure arises from the fact that craftspeople working on this project were almost cheated out of funds that were owed to them. They had negotiated with the Jam Factory to be paid at $15 an hour to work on this church project, when it was apparent that the project was well over budget.

The craftspeople were asked to accept $11 an hour, but they refused to do so and finally settled on the figure of $12 an hour. However, they would not have worked for that figure if in the initial stages that had been the first offer.

There continues to be a great deal of resentment in the crafts community in general that the Jam Factory Craft and Design Centre would treat South Australian craftspeople in that manner. I just do not believe that that practice would be tolerated in any private sector company, and certainly the unions would be called in if management were treating employees in such a shoddy manner. However, the Minister thinks that everything is okay at the Jam Factory and does not require investigation. In fact, she even said that it is a healthy financial situation.

There are other problems with the Jam Factory. I do not know whether the Minister is aware of the fact that two trainees in the metal workshop have been sacked in the past three weeks. The manner in which they were sacked was handled so ineptly that management has had to call upon the Department for the Arts and Cultural Heritage to step in as a third party arbitrator. Management has also been forced to change the locks on the workshop, I understand, and that has caused some difficulty, because the whole building had a common key. I believe that the two trainees at the workshop were appointed with the nod of Mr McBride, and his selection in that sense reflects many of his other decisions in a personnel sense that are highly questionable.

I believe it is important to look at the furniture design workshop. I mentioned the church project at Henley Beach. There was almost an open budget for that workshop to purchase new tools, following the winning of that order. Panasonic drills were purchased. Anyone who has been to a hardware or electrical store lately would know that these are highly expensive pieces of equipment. However, they are not being cared for, are not being maintained and are in poor working order at this time. I find it very distressing to think that people who are being trained in a craft are not also, as any other tradesperson would be, being encouraged to maintain their equipment well.

I also understand that a considerable number of tools have been lost from the furniture design workshop, and I would be interested to learn from the Minister whether an inventory has been kept of equipment within the furniture design workshop and whether a stocktake has been undertaken because these tools have been purchased at public expense.

We also need to know what Mr McBride's role and responsibilities as CEO are because, since his appointment three years ago, he has appointed an administrator and a gallery curator. These are roles that were accepted in full or in part by the two previous CEOs as part of their general responsibilities.

There is a great deal of concern among the arts community in general (and I know that the Crafts Council itself in South Australia has discussed this matter) about the bloated bureaucracy at the Jam Factory and also the increasing overhead expenses that have skyrocketed since the centre moved its headquarters in January from St Peters to the Lions Arts Centre. In fact, I think most people working in the Jam Factory are increasingly finding that that move has been unsuitable and that they would have been better in a factory out at Bowden or Port Adelaide rather than in this glitzy new centre by the Morphett Street bridge.

I suspect in time that that may well have to be looked at, because the overheads are just so enormous, and they are becoming an increasing burden on management at a time when everybody knows that Minister Levy will shortly announce a cut in the centres' grant for the forthcoming calendar year. I do not know what that cut will be, but it will be something in the order that will require reassessment of the management of its current bureaucratic arrangements.

Any arrangements made within staff at the Jam Factory will require a great deal of personnel skills that we have not seen displayed over the past few years within that very important craft and design centre.

I also want to know from the Minister why the Jam Factory has been offered the Gray Street workshop, two prime workshop areas in the centre, at a subsidised and not a commercial rental. I have certainly purchased work from the Gray Street workshop from time to time, and I admire their work. However, I do not see why they should be renting that accommodation at a subsidised and not a commercial rental.

I also believe that the Minister, as I indicated earlier, should be calling on the board not to renew Mr McBride's contract for a further three years until many of the matters that I have raised and, more importantly, until the staff and financial matters that are of concern to people who work at the board and in the crafts area in general, have been investigated and resolved.

There is enormous disquiet among craft people in this State that the State in general is not getting the maximum value for the money spent on crafts in South Australia. I know that this same argument has been expressed in terms of dance in South Australia because, as the Jam Factory is absorbing more of crafts funds, less and less is going to individual craftsmen and women and to the Crafts Council in general. Certainly the Crafts Council, from advice that I have received from interstate, is poorly served in this State compared with the support it receives from Government grants in other States.

I fail to believe why the Minister, at a time when last year the Government, through taxpayers, was paying $850 000 to the Jam Factory and to members of the board, has taken such a hands-off approach with the Jam Factory at this time. I know she was lax for many months—certainly many months longer than she should have been—with Tandanya, the Aboriginal cultural institute, and the problems of that institute became much greater than they need have been. Tandanya was also an incorporated association. Finally, the Minister was forced to act.

The Jam Factory is an incorporated association. The precedent has been set with Tandanya, and the Minister should be initiating an investigation into the Jam Factory. As part of that investigation I, as would many other craftsmen and women in South Australia, should be keen to see a vision developed for the Jam Factory. My general discussions on the Jam Factory of the past three months have convinced me that one of the major problems there at the present time is that it has no sense of purpose or direction. It does not quite know whether it

is a design workshop or a craft workshop, whether it is going ahead in the area of mass production and retail or whether it is supporting the crafts in general. It is critical that that issue is resolved before more money is thrown at the Jam Factory at this time of considerable uncertainty about current management practices.

The Hon. L.H. DAVIS: A black cloud hangs over the 1992-93 State budget. It is a cloud that dominates the skyline of South Australia. It is a financial cloud which has brought extraordinary financial gloom to South Australia—and I refer, of course, to the black cloud called State Bank. It dominates this budget whichever way one looks at it. Notwithstanding the fact that we have the lowest interest rates in South Australia for a good decade, the projected interest rate burden from the $3 100 million loss of the State Bank will be some $175 million 1992-93. The sum of $175 million will be the total interest cost to the budget, to the taxpayers of South Australia in 1992-93 as a result of the extraordinary collapse in profitability of the State Bank of South Australia.

We cannot escape the reality that this is the largest corporate loss not only in South Australia's but Australia's history—by far the largest financial loss suffered by any one financial institution. This interest bill, which only by the grace of record low interest rates has reduced to $175 million, nevertheless represents over 11.5 per cent of the total taxation receipts projected in the budget. In other words, $1 in every $9 collected from taxation in South Australia must go down the black hole to feed the State Bank.

That is an extraordinary burden, and it is not a one-off burden: it is a continuing burden. And it is a burden which of course may well be worse in future years as interest rates increase.

If one looks at the taxation receipts of this Government under their headings on page 211 of Estimates of Payments and Receipts documents, one sees that in almost every line South Australia is a winner, a winner in the sense of having the highest tax take or some extraordinary distinction about the taxation that the people of South Australia are enduring.

The increased estimated land tax take is $78 million as against less than $75.8 million actual receipts in 1991-92.

That has increased only because there has been a sneaky increase in the scale of land tax where site values exceed $1 million. In fact, there are increases below the $1 million range. It has had the impact, as I have explained to this Council on an earlier occasion when debating land tax legislation, of seeing major retail centres such as Westfield at Marion receiving a 50 per cent increase in land tax in the space of just two years.

We look at the debits tax, which has jumped from $28.2 million to $41 million. So, South Australia now boasts the largest debits tax in the land. Financial institutions duty is $105 million—South Australia has a financial institutions duty 67 per cent higher than the next highest FID in Australia. Queensland does not have a financial institutions duty at all.

South Australia has the remarkable distinction of discouraging saving because, if John Citizen has $49 000 to invest for seven days at 5 per cent at call, which is the going rate with the banks and building societies, he will actually lose about $6 on that investment, because he will pay $49 on financial institutions duty at the rate of .01 per cent and he will pay $4 debits tax because the transaction is over $10 000. His net outgoings are $53 but he will receive nearly $47 in interest. That is what this Government is doing to encourage small business and the person in the community who might have savings for a short period of time.

In relation to stamp duties we see an increase in excess of 10 per cent, several times the rate of inflation—from $320 million taken in 1991-92 to $357 million projected in this current financial year. Again we have seen the hamfisted way in which the matter of stamp duties has been handled. Having found that one of its own instrumentalities, SGIC, had yet again fallen short of the code of conduct which has been trumpeted abroad by the Attorney-General only this week in escaping the stamp duties of $70 000 on the transaction involving No.1 Anzac Highway, paying only $4 instead, the Government moves to close the loophole.

So, Mr and Mrs John Citizen settling a house suddenly find the settlement has been delayed because the Government has introduced another bureaucracy to check every individual settlement, whether it is commercial, office building or just a house in suburban Adelaide. These delays have cost, in some cases, individuals in South Australia hundreds of dollars in lost time from work, organising removalists, suddenly to be advised on the day or the day before by their bank or building society which is arranging the finance that the settlement cannot proceed: 50 per cent of all settlements are delayed in South Australia because of this hamfisted approach to closing the loophole in stamp duty legislation, with no overwhelming evidence of grave abuse of stamp duties in the case of domestic transactions.

If we look at the business franchise tax, we see petroleum taxes leaping from $86.2 million to nearly $130 million, an increase of $38 million, or about 44 per cent. That makes South Australia the most expensive State when it comes to petrol taxes. It is a positive discouragement to tourism in South Australia; it is a positive discouragement to business in South Australia.

Finally, under the heading 'Business Undertakings', we find that the Government is pulling even more out of the Electricity Trust of South Australia. Again, it achieves a distinction there because the Electricity Trust of South Australia has to give up more of its revenue to this black hole of Government than any other electricity authority in Australia as a percentage of its revenue.

So, this budget offers no joy to people in South Australia, particularly to businesses in South Australia. Because time is brief I want to flag to the Attorney-General that during the Committee stage of the Appropriation Bill I would like to have officers of the Department of Woods and Forests and the South Australian Timber Corporation, together with the Small Business Corporation, present for debate on these two important areas of the economy.

The Attorney-General would know that because the Legislative Council continues to be disqualified from participating in budget Estimates debate we have, on more than one occasion in recent years, exercised our right in the Committee stage to ask further questions. I do not want to abuse that privilege, but the

Attorney-General should be put on notice that I would like officers of the Small Business Corporation—and I would suggest Mr Ron Flavell, the General Manager, and Mr Jack Tunis, Chairman, of the Small Business Corporation board perhaps as the appropriate people; and, with respect to the South Australian Timber Corporation, Mr Graham Higginson, the Chairman of that board; and the Manager of Woods and Forests, Mr Dennis Mutton.

I detail these two areas for particular attention, because they are matters of special interest to me, and indeed I think to the future economic welfare of South Australia. First, I refer to small business. I have for many years now believed that small business is the engine room of economic growth in South Australia; that 57 000 small businesses in rural South Australia and metropolitan Adelaide provide the key to South Australia's economic future; and that South Australia trails all other mainland States by a large margin in having programs in place and having appropriate expenditure levels to recognise the importance of small business.

Only recently in this Council I detailed where the Queensland Labor Government is spending 150 per cent more on small business in the current financial year, the Western Australian Government is spending a lot more, and New South Wales is also a great deal more per capita.

Queensland in 1992-93 is proposing to provide $1 million for business consultancies alone—1 000 small businesses in Queensland will each receive a valuable financial grant of $1 000 to assist with the development of the small business plan.

I think there is a growing view in small business that preventive programs and planning of small business are the key to success. It not only enhances the prospects of profitability but also, and most importantly, it reduces business failures. Whilst I am full of admiration for the Small Business Corporation of South Australia, which is increasingly styled the business centre (and I have read with interest the annual report for the year just ended which I received yesterday), there is no doubt that it is severely constrained in its programs by the lack of money, that it receives less per capita by far than any other State in Australia. Whereas Queensland is expending $1 million alone in this current financial year on consultancies, last year we spent only $132 000 under the consultancy grant scheme and some more on the pathfinder scheme—very small amounts indeed.

In terms of the business licensing scheme proposal, which this Government has talked about for almost a decade, we find in the annual report of the Small Business Corporation that it is hoping to commence the operation of this program in the last half of 1992. It says that preliminary work should commence on the implementation of the Business Licensing Information Centre within the Small Business Corporation some time later this year. This means that South Australia trails all the other States and the Northern Territory, perhaps even the ACT, in the introduction of a business licensing information centre.

People in metropolitan Adelaide and rural South Australia are still spending time and money traipsing around Government departments and statutory authorities trying to find the necessary information. As I have seen first-hand in New South Wales, one telephone call can provide an intending small business proprietor with all the data that he or she requires relating to licence information, and much of that has already been simplified. The number of licences that small business requires in New South Wales has been reduced significantly, as have the provisions under relevant State and Federal legislation with which small business must comply.

Other States are light years ahead of us in small business and that is shown not only in the financial allocation to the Small Business Corporation but also in the range of programs and our ability to service the vital small business sector in South Australia. Queensland has eight regional offices of its Small Business Corporation. Here, there are none. Admittedly, there are visits to rural areas and there is support by the corporation for self-help enterprise development groups such as the Mallee Enterprise Development Organisation. However, support in regional South Australia is sparse and far less impressive than is the case in Queensland. I should like to question the Government further in Committee on the important subject of small business.

With respect to the South Australian Timber Corporation, I note with alarm from the report of the Auditor-General that, although the financial statements of the corporation and its relevant subsidiaries have been submitted to the office, the audit of those statements had not been completed. That means that the South Australian Timber Corporation was one of very few groups which, in my time in Parliament (some 13 years), had not had its financial statements audited in time. We do not know the fate of Scrimber, which is a $60 million loss. We are still uncertain as to the method by which the corporation and the Woods and Forests Department are to be merged and the implications of that merger. I am particularly interested in following through in the Committee stage with questions on SATCO and the Woods and Forests Department, particularly in relation to Scrimber, the merger and the general profitability of the department.

The Program Estimates state that there is a continuing emphasis on improving the yield from the forest resources. That is certainly important, as is the need to ensure profitability from the Woods and Forests Department and, in recent years, profitability has been achieved under the guise of revaluing the forests, as distinct from making profits from sales of timber.

Because time is limited, I will not proceed further with my remarks, except to say that this Appropriation Bill is a miserable piece of legislation reflecting the economic crisis that confronts South Australia. This decade is just two years old but it is already spoken for financially because that is the extent of the problem that has been left for us by the $3.1 billion loss of the State Bank. Nor should we forget that, in the past two years, there has been a $361 million loss in the State Government Insurance Commission, which has been masked by a $350 million bail-out by the State Government. That triella of State Bank ($3.1 billion), SGIC ($361 million) and Scrimber ($60 million) represents in excess of $3.5 billion. It is a terrible triella; it is certainly not a winning combination.

The Hon. PETER DUNN: One must worry about the final remarks of the last speaker. If I were in small

business and had debts with the same effect, that is, if I had to pay 63c of every dollar earned to pay interest, the banks would have moved me off the premises before the sun set. That is what we are asking people in this State to pay for the interest—63c in every dollar. It saddens me to think that we have got ourselves to that stage. Unfortunately, it has basically happened in the past four or five years. It has been caused by the mismanagement of the present regime, and I do not think that anyone on the other side of this Chamber can sleep easily because of that. For some time I have been saying that there was a problem with the managerial skills of members opposite. If we do not encourage small business and exporters, our standard of living, which has fallen dramatically in the past 10 years, will fall further.

The Hon. T. Crothers: Why?

The Hon. PETER DUNN: Because we have had a Federal Labor Government and a State Labor Government, and they do not understand the fundamentals—

The Hon. T. Crothers interjecting:

The Hon. PETER DUNN: Well, it speaks for itself—a $3.5 billion debt in the past few years in this State caused by your mismanagement. What other conclusion can I come to?

Members interjecting:

The ACTING PRESIDENT (Hon. M.S. Feleppa): Order!

The Hon. PETER DUNN: I know something about the pastoral industry. The north-east of this State, the pastoral area, is relatively large with few people, but it is a significant area because it is a good wool-growing area. However, the Government persists in spending $1.4 million—that is provided in the budget—to administer it, although it receives $700 000 in rent. Neither of the Australian Democrats is present, but they are no better managers than the Government. I read an article by the Australian Conservation Foundation, which the Democrats support, stating that the rents ought to be increased so that they cover the $1.4 million in administration costs.

It was the Government that administered the $1.4 million, not the pastoralists—they did not ask for it. They have been as mean, lean and efficient as they can be so that they could run their properties and remain on them, although some of them have not been able to do that. We have only to look in the *Stock Journal* and see some of the properties that are on the market because people have not been able to meet the costs being incurred by this Government and by the rest of the community because, of every dollar we have to raise in this State, only $37 can be used; the rest is to go to pay interest.

The Government must take a very close look at how it runs this State. I believe that good administration will bring good results back to the State and Government. We must have smaller administration, to let those people in small businesses administer their businesses as efficiently as they can. The Hon. Mr Davis noted the fact of the Small Business Corporation and the confusion that reigns now. I cite the example of a person at Iron Knob, a tiny place west of Whyalla, who has a fuel depot and who, because he ran a few birds, was obliged to have 21 licences for that small operation.

He informed me that every month he got a bill for about $4.20 for a new licence, and that went on and on. It was costing him more to administer those licences and to get them every month, rather than aggregating them and having one central body. As the Hon. Mr Davis said, he could ring up and pay by credit card all in one lump, but no, you cannot do that. You have to have a milk licence, a licence to sell grain, a licence to disperse petrol and a licence for everything. He nearly needed a licence to breathe, I think.

That is what gets up people's nose, and it is not for the financial part but because of the humbug that is involved. Looking at some articles about the rural community written recently in the *Advertiser,* you will note how it has declined. Professors Smiles and Hugo from Adelaide University have indicated that there has been a 22 per cent drop in the population of rural South Australia since 1954. In fact, since 1986—and this is an indication of this present Government—there has been a drop of 14.5 per cent. That is because the cost of living in the country has become uneconomic.

We have had a downgrading of services. As people get less and less in the country, that downgrading accelerates, and you finish up without doctors, without stores and without businesses from which to buy spare parts. So, the necessity for a country town diminishes, and eventually you lose that country image.

If people do not think that is important, let them look at ABC television at night. Most of the images seen as little grabs between major programs have a rural background. It might be just a mug of tea, a lizard crawling across a road or someone opening a gate, which are three I can recall, but all of them are loved by all of us and they all have a country image. But we are losing that and losing it rapidly because the Government has made it very difficult, and in this budget it will make it even more difficult, because it has had to increase the cost of living in the country.

That brings me to my final point of road funding. The Hon. Mr Davis noted how road funding has increased. We paid a petrol tax of $29.5 million in 1983, all of which went to road funding, yet today we are paying $129 million in State road taxes and still getting back only $29.5 million. The cost of road manufacturing and so on has increased dramatically over the past few years. As a result, nothing is going on.

During the 10 years in which I have been in Parliament, no more than five to six kilometres of new sealed road have been put on the whole of Eyre Peninsula or, for that matter, in the North of the State.

The Hon. L.H. Davis: That is disgraceful.

The Hon. PETER DUNN: It is an absolute disgrace. In 10 years I do not think that there has been any new sealed road, although a few roads have been replaced. We have towns such as Cowell, Cleve and Kimba of over 1 000 people each, but they are not joined together with a sealed road. That is 1920s, archaic stuff. We have the Burra to Morgan road with much heavy traffic on it cutting off the enormous trek that was involved in coming south to get across to Morgan.

The Hon. L.H. Davis: Joining two important regions.

The Hon. PETER DUNN: Yes, it does; it joins together the Mid North and Murray Valley, yet it does not have a sealed road. That sort of archaic thinking is

really unconscionable in these days, yet, to counteract that, we can do up the South Road and fix up the road from here to Elizabeth, the Salisbury Highway. There is already a sealed road there. It might take an extra two minutes to go to Salisbury because you must divert through the town, but we will spend some $26 million and fix that up.

The road to Port Wakefield is one I have travelled quite frequently. As the Hon. Ron Roberts would know, it will speed up his time in getting to Port Pirie because it will be a two lane highway right to Port Wakefield. But that is a highway: it does not really service the people along it. I am sure that, if you talk to the people at Falaklava, they would like a few of their dirt roads, which beggar up their cars, to be sealed.

I have said before and will say again that if you live on a dirt road and you have a car you want to trade in at 100 000 kilometres, you will obtain about half its value. If you are on a sealed road, you will obtain two-thirds. However, that is not built into any of the formulae used for road funding these days. We have people on the back blocks paying more to live there: first, they pay more in tax because they use more fuel in travelling longer distances; then, on top of that, their vehicles are worth nothing when they trade them in, because they are on a dirt road and the cars are covered in mud, they rust and they have stone damage, etc.

There needs to be a change in the criteria for road funding, but there is none at all in this budget; it just goes on and on. As I pointed out the other day, some $160 million is to be spent in the metropolitan area and on Port Wakefield Road, which is hardly out of the city. You would hardly class 100 kilometres as out of the city when the city itself is 80 kilometres from south to north. When you are having $160 million spent there and some $10 million spent in the country, it seems unfair.

I think that if you ask many people who live in the country or even just a little farther out, they would agree with me. Roads are important. If we are to travel between places and cart our goods and chattels in commerce, if we are to trade between towns, we need good roads. I want to see a change of emphasis in this budget. I want to see some of those roads funded for the people who are producing export income, because very little is being produced in the city which is very sad. I am talking about new export income: there is some add on in the city, some product being processed in the city and then sold, but very little is being produced.

There is no wool, no iron ore and no exports in that regard. There is no primary production here of any consequence, because what is produced in the metropolitan area or immediately surrounding it is consumed within the metropolitan area. I am all for that, but it is not bringing in the export dollars.

So, it is those areas to which I originally referred, the north-east and the north, and the west, as well as the eastern horticultural areas of the Murray-Mallee and the South-East, those very important areas in this State that bring in our much-wanted export dollars, which raises our standard of living and which makes this a much better place to live. I want to see a change of emphasis in this budget, although I fear that that will not come about. There has been confusion, as has been the case with the Government's operation for quite some time, and it seems to be governing from hour to hour. It does not seem able to get its act together.

Since the fall of the former Premier there seems to be great confusion. Last night at a function I ran into an ex-Labor Minister and he said to me that he thought it was quite outrageous that the Labor Party should govern with a coalition. He said that it had always governed in its own right in the past and that it should not have to govern with a coalition. I notice a wry smile on the Hon. Robert Roberts' face; that may be because he has a sore lip, but I suspect that he understands what I am saying is fairly correct, that is, that this Government should go to the people, that it should ask for a mandate, because it has muffed its lines so badly and has got us into such a mess of having to pay 63c of every dollar that we get from tax in this State on interest repayments. In anyone's terms that will not allow a business to run, and it certainly will not allow this State to run.

The Hon. J.C. IRWIN: I support the second reading of the Appropriation Bill. I support the remarks just made by my friend and colleague the Hon. Mr Dunn. Despite what the Minister said in this place when we were discussing the 3c impost on petrol, I do not believe that there is any guarantee that any of that will be put back into roads. This involves purely an agreement for transferring funds, as already undertaken by the Government, over to local government. From the lists that I have seen and from discussions I have been involved in, I do not see that any of that 3c will be used on road structures around the countryside or indeed in the metropolitan area. The 3c impost just adds to the tax grab by the Government, and I endorse the remarks made by the Hon. Mr Dunn in this regard.

What I want to concentrate on first in my contribution will to some extent supplement the points already made by Mr Dunn. First, I address the issue of our rural towns and communities in South Australia and the matter of the massive decline in their populations and the effect of this decline on rural communities. This erosion of rural populations is not of recent origin. They have been in decline for many years. However, despite the alarm bells ringing for so long very little has been done to halt this downward slide. It is not necessarily Government inspired, and nor do I expect Governments to be the only ones that can stop the slide. Something has to be done by the whole community, involving both rural and metropolitan areas. In the past 70 years the population in rural South Australia has gone from representing 37.4 per cent of the population, in 1921, to 14.5 per cent in 1986. These are the last figures that are available. The most recent census and statistics figures have not yet been published.

In South Australia, one person in 6.5lives in rural establishments—the equivalent of 15.5 per cent of the total population. Most of the people, not just the farmers, do not leave the land of their own volition; they have been squeezed out. They have had to relocate and find new jobs. No-one has shed a tear for this reality, that people have had to leave the rural areas. As much a result of Government interference as anything else, generally, the business mix changes, and that is part of life. It happens in cycles, which is evident if one looks at the history of the movement of populations and the

movements in mixes within businesses in this State or in any other State.

The capital base of our rural producers has been eroded. Soaring interest rates in the past few years have prevented farmers from paying off their debts. The average Australian farmer I understand will now suffer a minus $30 000 loss in this year, and I must say that much of this loss is helping to pay for someone else's job in some other industry. We now have a situation where, for every 10 farmers, six are over 50 years of age. It is estimated that only 15 per cent of these farmers will make a profit this year. But one-quarter of our farmers on Kangaroo Island are having to accept some sort of social security. Even more tragic is the huge increase in suicides over the past 12 months. The number of commercially viable farms has declined and, with it, the share of the agricultural labour market. Today it is only in the smallest communities that agriculture is the major occupation. Most jobs in rural locations are concerned with providing services. These service sector activities are often indirectly connected with agriculture. In fact, the ratio of indirect service sector activities has decreased and now perhaps as much as 25 per cent of the Australian work force is employed in occupations dependent on agriculture.

Farm incomes peak and trough according to the world markets, seasonal conditions and a number of other factors. In 1989-90, the farm income in South Australia was $515 million, only to do a complete reversal in 1990-91, producing a loss of $142 million to our farmers. Real income of the rural sector has been trending downwards at about 2 or 3 per cent a year over most of the post-war period. The trend is unmistakable and is still entrenched, despite rural production increasing over the same period. Although farmers received. 14 per cent more for their product in 1992 than they did 10 years ago, their costs have risen by 80 per cent. Consumers have paid 59 per cent more for their typical shopping list items in the same period, going from $86 to $137.

Food has inflated nearly 50 per cent faster than the return received by the farmer. Just as an example, in Sydney in 1982 the price of butter, a low process product, rose from 143c for 500 grams to 183c in March this year—a 28 per cent increase. The price of breakfast cereal rose from $1 for 500 grams to $3, in the same period—a rise of 200 per cent. To make matters worse for the farmer, the price of wheat rose just 7 per cent in the same period. The price of wheat does have some relevance to the breakfast cereal example.

According to the measures generally employed to measure the extent of Government support of agriculture, the Australian farm sector receives very little in the way of Government assistance compared with the farm sectors of many other high income developed countries. Can members imagine our farmers sitting at home, watching television and being paid to not grow food? It might sound ridiculous, but this is happening in the United Kingdom and, when I was there two years ago, it was drawn to my attention. Farmers are being paid $A472 per hectare equivalent to do just this. The only problem is that, although they are being paid to not grow anything, they are in fact utilising the land and selling on the black market, costing the British people nearly $5 billion a year in this fraudulent activity.

British farmers are at present receiving a subsidy of about $945 a hectare for growing canola. Things are no better in Europe; although in France a farm closes every minute, there are families who are still able to make a living on a farm with only 10 cows as the main producer on that farm. These farms produce specialty cheeses from those few animals and farm subsidies top up the income. One must ask: how much longer will the community support such massive extra costs for their shopping each week? The cost is an extra $A48 a week for groceries in Britain just to maintain the rural communities, district culture and way of life.

Australian wheat exports between 1986 and 1989 range from 10 million tonnes to 16 million tonnes without any direct export subsidy. However, had Australians attempted to match the US and European community in providing export wheat subsidies, the total annual cost of the subsidy could have been up to $A1.6 billion. To put this in perspective, the Commonwealth grants to the States and Territories for health in 1988 was about $1.2 billion, and that is why I use this illustration to show that it is impossible financially for the Australian people to be expected to subsidise their farming cousins. The weakening Australian dollar should prove to be a boost to primary producers and industry that is currently exporting goods. It has been estimated that a 1 per cent fall in the Australian dollar can produce a $500 million commodity price boost to rural producers. That is a very relevant figure, as overnight we have seen the Australian dollar fall below 70c. As I said before, there will be pain in the domestic market with a fall in the Australian dollar. But I make the point that, while the Government, through the Reserve Bank, fiddles with the Australian dollar and the Australian/US dollar relationship, and despite former Treasurer, now Prime Minister, Keating saying that the Australian dollar does float, it certainly does not float against the US dollar and is manipulated by the Reserve Bank, probably on the instruction of the Federal Government.

While the Australian dollar is being held up by manipulation by the Reserve Bank, there is a dramatic effect on farmers and their export income. If the dollar floats down to find its proper level, whatever that is, it will have some pain, as I said before, on the domestic producers.

The Hon. Mr Gilfillan in his contribution, to which I listened with interest, incorporated in *Hansard a* great deal of detail from the so-called Democrats independent inquiry in a session recently held in Adelaide. He and others would have to acknowledge that a great deal of that evidence would change if the Australian dollar were allowed to come down to a level judged by the world's economy. A lc depreciation means a rise of about 2c a kilogram clean in the market indicator for wool, or $2.2 a bale, assuming that 15 per cent of the depreciation effects are reflected in higher prices. It would mean that, on a 600 kilogram steer, the farmer would get an extra $12 a head. Pool prices for wheat would go up by about $3.75 a tonne.

We will eventually win the GATT war; we can meet anything from beating Australia—to the world itself. I am positive that the GATT war will eventually have a realistic conclusion, whether that is after the presidential election and whether that will make it worse for some

later period, I do not know. I do not think there is any doubt, given the evolution of the discussions in GATT and what I have said already about what is happening in Europe, that we will win that war. Europe is changing and, although there might be the fear of war, leaving some countries short of food, they still have a collective aim to be self-sufficient, and they will eventually realise that they cannot afford enormous surpluses and surpluses, as I have said before, that are heavily subsidised. In Europe, that self-sufficiency and surplus food is subsidised by the other productive sectors of the European economy which are net income earners for their country.

The decline in the rural population cannot be blamed on the fortunes of agriculture alone. The reduction in the provision of services in the rural community, in the form of education, industry, retailing and health, is just as responsible. When Government departments are cutting their numbers of employees, we can be sure that the country areas are the first on the chopping block. We have witnessed the closure of hospitals, police stations, schools and small businesses, etc, making life in these areas more expensive and far less desirable. There are instances where people have to travel up to 200 kilometres just to have a car serviced. If a police station closes down, the flow down could mean the closure of a school and the closure of a small business, and on it goes.

Our cities are expected to absorb this migratory pattern of people. Geographically, Australia's residential density is amongst the lowest in the world. Here in South Australia the urban sprawl is spreading to some of the State's best agricultural land, and that is unlikely to change in the near future. Problems arising from the demand for new infrastructures are acute. In 1988 the New South Wales Government estimated that it would cost about $50 000 per .1 hectare lot to provide the infrastructure for a major new development to absorb the population growth. This represented the capital investment which Commonwealth and State Governments and local government had to invest in telephone lines, roads, water, sewerage, pipes, treatment plants, schools, hospitals, etc, if housing development at current service standards were to proceed. In addition, Sydney developers must spend about $20 000 per lot for the reticulation of these services and other works required to produce a marketable lot. The provision of a similar service requiring an investment of $50 000 in Sydney currently costs about $30 000 per lot in Perth.

An alternative that exists is the potentially significant role that Australia's major regional centres can play in alleviating growth pressures in the major cities. Rather than people being forced to move from the rural areas, as is happening now, services should, at the very least, be maintained and possibly increased to attract people back to the country areas. Much of the rural infrastructure is presently underutilised in areas where it is still in operation. The recent handout by the Federal Government in the form of local government capital works programs is an example where the Government could have been of greater assistance in maintaining unemployed people in rural areas. The metropolitan area received over $26 per unemployed person from those grants, compared with just over $1.60 per unemployed person in rural areas.

With all that said, I have a very optimistic view about the future of rural areas. I believe that the slow decline of the rural population will end and be turned around. The problem may well be to be prepared for the day when this happens. Both major Parties are inevitably moving towards a market force economy, and I have no illusion that the eventual reality of our recognising the power of the market, both domestic and international, will bring with it its own problems, which must be addressed. I have no illusions at all about the dark side of unabashed capitalism. If anyone still has any doubt about the reality of the market, they only need to observe what happened and is still happening in Europe—the fall of the UK pound, the fluctuation of the franc and the lira, and the invention of the German Bundesbank. If there is any flaw in the artificial level of the currencies that I mentioned, inevitably it will be exposed and great pain will follow. The future for innovative production with the prospect of efficiency to match the best in the world is very exciting and, with our track record in both rural production and secondary industry production, we can and must turn this country around. I have no doubt that we will.

I now refer to the figures released last week in the Police Commissioner's annual report concerning reported crimes and offences cleared. For some time now I have been concerned about the number of outstanding offences that have not been cleared. In his annual report, the Police Commissioner states:

> Offences may be cleared in a period other than that in which they become apparent. For this reason, offences cleared do not necessarily correspond to those reported or becoming known in any recording period.

I am concerned about the fact that, once an offence is recorded in any given year, unless that offence is cleared, it is wiped off the public record. It is not carried over to the next year's figures as a crime still to be cleared although, undoubtedly, if some of the reports to the police in one year are cleared up the next year, they are reflected in those figures.

If there is no running tally of where they have come from, a distorted picture is given to the public. I argue very strongly—and have done so before—that the public, whether the figures are good or bad, should be given a chance to discuss, in the broadest possible sense, exactly what is happening in its community. Those figures should not be muddied or kept from them.

In the past 10 years, the number of offences which have not been cleared up has blown out to well over 1 million. With this uncleared reporting of offences hanging around the statistics, no-one can make accurate assumptions about where those statistics are going and whether or not they are showing improvements. From this year's estimates, it is very clear that the clean-up figures for property offences was as low as 17 per cent; the figure for violent offences was much higher and much better at 55 per cent.

I would suggest that clearing up at least half the offences reported to the police is something that we should be able to achieve. A greater effort must be made to improve a great number of areas of reported offence cleanups. If more police is not the answer-and we keep being told that it is not-a shake-up of the available resources for a better use of those resources must be considered.

The Police Commissioner has recently announced that he is delighted that the overall rate of reported offences has come down from last year's figures. When one looks more closely at the reported offences committed by juveniles, one sees some disturbing trends. The number of cleared juvenile offences has gone from 13 304 in 1989-90 to 17 720 in 1991-92—an increase of 31.1 per cent.

Overall, these cleared juvenile offences have stabilised in the past year, and that is a commendable result, if in fact all offences had been keyed in for the 1991-92 year, taking into account the changes of codes in the system for offences in the Police Department's report.

I understand, from talking to some people and to my colleagues, that there are different ways now of allocating some of these offences, and they may well make a difference to the figures that I have given. I am disturbed that, despite being asked in the Estimates Committee for the tapes so that some people can follow these changes, some three or four weeks ago, despite the Police Commissioner's making them available to the Minister, they still have not been made available to the person on the Estimates Committee who asked for them.

What does disturb me is the increase in cleared offences in some of the categories. Keeping in mind that we are talking about children—juveniles under 18 years of age—it is horrifying to have to accept that there has been a 100 per cent increase in the number of attempted murders in the past 12 months. The incidence of other acts endangering life has gone from 37 to 86. They may seem low figures, but they involve an increase of 130 per cent.

Juveniles' respect for our police officers has obviously disintegrated, with assault on police increasing from 89 to 122, an increase of 37 per cent. The category 'other arm robberies' has gone down to 47 per cent, but to counteract that good news other robberies have gone up by 53.8 per cent. The same pattern occurs in the break, enter, fraud and theft category.

It would seem that juveniles are not quite so keen on stealing from shops (down 22.7 per cent) or dwellings (down 8.9 per cent), but have moved into other areas to break, enter and rob, and that category has gone up by 56.2 per cent. So, it is quite easy to follow that juveniles are going from one form of an offence against the community to another. Although the police, Neighbourhood Watch and others are doing a good job in counteracting that, it is like squeezing a balloon: as soon as they get one area under control, these children (who are hopefully well educated in one sense but badly educated in another) find something else to do that is anti-social.

Stealing vehicles is obviously still an attractive proposition, because that has increased by 6.8 per cent, as have most categories of drug offences. Considering that nearly 130 000 reported offences have not been cleared in the past 12 months, one wonders how big the juvenile crime figure would be if we only knew who was responsible for all those unsolved crimes. I must add that not all reported offences are ones that could be cleared with a positive result as far as proof of the crime is concerned.

One area which does not attract much attention in the reporting of crimes but which I would like to address briefly concerns the cost of offences to our community. The actual cost of crime to the community cannot be answered with any precision due to the failure of society and, more importantly, the failure of criminal justice agencies to maintain full and accurate records of the cost of crime and justice. I assume that refers to the cost of goods that are damaged, broken or stolen. The cost of crime figures can only be regarded at best as an estimate.

Regrettably, very little information about that is available from other countries to compare with the Australian figures. Nevertheless, the relative costs of different types of offences are revealing, and they may contribute to a new and better understanding of the problems faced by the criminal justice system. The process of costing crime is long, and consideration must be given to what costs to include or exclude. For instance, should we take into account the cost to the community of security systems for our homes and businesses, or the cost of keeping a dog, which is considered to be a crime deterrent? Should we consider fines paid for speeding as a cost, or should we offset that against the cost of the justice system?

About 350 homicides occur in Australia each year. The Victorian Office of Road Safety is widely quoted as having estimated that each homicide costs the community approximately $1 million, excluding the costs of the prosecution and trial itself but including the income forgone by the imprisoned offender and the cost of supporting the surviving dependants of both victim and offender. The cost therefore is roughly $350 million a year for homicide alone. The cost of imprisonment of the 1 500 or so persons currently in prison for homicide is estimated to be about $75 million. However, this would need to be deducted to avoid double counting. I seek leave to insert in *Hansard* a purely statistical chart summarising the costs of crime and justice as presented by the Australian Institute of Criminology.

Leave granted.

Summary of Estimates of Costs of Crime and Justice

Major Category	Best available Estimate of Current Costs $ Million	% of Grand Total
Homicide	Max. 275	1.0-1.6
Assaults, sexual assault	Min. 331	1.2-2.0
Robbery and extortion	93	0.3-0.6
Breaking and entering	893	3.3-5.3
Fraud/forgery/false pretence	6 710-13 770	39.9-51.1
Theft/illegal use motor vehicle	667	2.5-4.0
Shoplifting	20-1 500	0.1-5.6
Other theft	545	2.0-3.2
Property damage/environment	525-1 645	3.1-6.1
Drug offences	1 200	4.5-7.1
Total Crime	11 259-20 919	67.0-77.7
Police and law enforcement	2 575	9.6-15.3
Courts and Admin. of Justice	619-1 030	3.7-3.8
Corrective Services	600	2.2-3.6
Other CJS	500-550	2.0-3.0
Total Criminal Justice System	4 294-4 755	17.7-25.6
Other	Min. 1 250	4.6-7.4
Grand Total	16 803-26 924	100.0

The Hon. J.C. IRWIN: It will be noted that the cost of fraud and misappropriation is by far the biggest cost to the community, with an estimated maximum cost of between $6.71 million and $13.77 million. The Insurance Council of Australia has estimated that $1 700 million is paid out annually by the insurance industry for fraudulent claims. Earlier figures suggest that of this total $620 million was for fraudulent claims for workers compensation. False claims on motor vehicle insurance accounted for 800 million, household insurance for $100 million and fire insurance for $62 million.

The Australian Federal Police Association has estimated the cost of public sector fraud at about $9 billion, including tax fraud of $3 billion and social welfare of $2 billion. Estimates from the international crime victims survey show motor vehicle thefts targeting individuals or households alone cost $667 million in 1988. No information has been given on theft or illegal use of those vehicles.

The Australian Institute of Crime estimates that the total cost of crime in Australia is somewhere between $11 billion and $21 billion. Since there have been numerous instances where significant additional costs have been identified but not quantified, the true figure is likely to lie at the upper end of this range. This represents 5.6 per cent of gross domestic product. This estimate is not inconsistent with the United States' Department of Justice and the Confederation of British Industry estimates which suggest that crime against business alone costs around 2 per cent of GDP. If we add this to the cost of private and public efforts to prevent crime, which is estimated to be between $5.5 and $6 billion a year, it appears that crime could cost Australia as much as $27 billion a year or $5 200 per household.

That reminds me of the change of attitude I have had in the area of correctional services. I have not addressed that tonight in this contribution, but I have changed my opinion about what needs to be done in correctional services as far as offenders in prison are concerned. Once upon a time I was a rattly key person-lock them up and throw away the keys. At one meeting I suggested that all prisoners should be put on Kangaroo Island, but I got about five very irate Kangaroo Island people—Mr Gilfillan is not here—saying, 'Why use Kangaroo Island?'

There is no doubt that that is about in the community, and I was once one of those people. However, after I studied the more intricate details of the prison system and how much it cost to keep a person in prison, I understood that we had to do something better. Hopefully the select committee looking at the penal system and enlightened Ministers and the Government—

The Hon. Diana Laidlaw: And the Juvenile Justice Select Committee.

The Hon. J.C. IRWIN: They all went to Lincoln. I am sure we have similar aims in trying to find a more enlightened way to attack offenders—and I say that in the sense of trying to make something better of them so that when they are returned to the world they are better equipped to deal with it.

I have often said that the correctional service area, the court area, is at the wrong end. It certainly has to be done but it is at what I call the 'bandaid' end not the prevention end. The best way to reduce the cost of crime, which I have just been through and which is quite staggering—2 per cent, 3 per cent or 4 per cent of GDP is a lot of money—would be to try to stop people becoming offenders through the family, education, community and schools. Of course, we have to decrease poverty, which has doubled in Australia since 1983—and unemployment and all those other things are interlinked.

I have digressed slightly to the correctional services area, but the figures I have used today I hope indicate to others the enormous cost of crime and convey the fact that it is better not to have it than to try to fix it up or let people get away with it. I support the second reading.

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

WATERWORKS (RESIDENTIAL RATING) AMENDMENT BILL

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

STATUTES AMENDMENT (PUBLIC ACTUARY) 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 main purpose of this Bill is to remove from various Acts references to the Public Actuary.

The position of Public Actuary is a statutory position arising pursuant to section 36 of the Friendly Societies Act.

However, the Public Actuary is also referred to in a number of other statutes with a wide range of duties, some of a strict actuarial nature, some regulatory and some involving board or committee roles.

It has always been difficult to attract and retain qualified actuaries in the Public Service. The South Australian Treasury had three qualified actuaries in January 1990, two of whom qualified in the service in the previous four years, but now has only one.

On the other hand there are now six actuaries based in Adelaide whose consultancy services are accessible to the Government.

In the circumstances the Government proposes to abolish the statutory position of Public Actuary and amend the affected statutes to free-up the Government's existing actuarial resources and provide greater flexibility and efficiency in their use.

This Bill deals with all the affected statutes except the Friendly Societies Act. The required amendments to that Act are substantial and the opportunity is also being taken to make additional amendments that are considered necessary or desirable. As a consequence a separate Bill has been prepared in relation to the Friendly Societies Act.

The Bills provide for most of the functions currently performed by the Public Actuary to be handled, in general, in one of three ways:

- actuarial tasks will be required to be undertaken by a qualified actuary;

- regulatory tasks will be carried out by persons nominated or given delegated authority by responsible Ministers;
- board or committee memberships will be taken up by persons nominated by the responsible Ministers.

Each of the affected statutes is dealt with individually in the following comments.

Amendment of Benefit Associations Act 1958

The current Act places various administrative duties of a regulatory nature with the person holding or acting in the office of Public Actuary.

The Bill places these duties with the Minister (of Finance) but allows the Minister to delegate any of them to a specified officer in the Public Service of the State.

Because the investigations referred to in sections 8 and 9 of the Act are of an actuarial nature, these sections have been further amended to require that a report of an investigation carried out by a qualified actuary must be considered before any provisional recommendations are made.

Section 6 of the Act currently refers to returns being provided in a prescribed form. This is no longer considered appropriate and the references to the prescribed form have therefore been deleted by the Bill.

Prior to 1 January 1990 regulations existed under the Act in relation to the form for annual returns, funds of benefit associations, certification of fund liabilities, fund balances, trustees and fund investments. These regulations were allowed to expire on 1 January 1990 under the automatic revocation program. They were not retained because the prescribed forms were considered inappropriate and unnecessary, and the other regulations were deemed invalid by the Crown Solicitor as being beyond the regulation-making power conferred in the Act.

It is considered desirable that similar conditions to some previously covered by the regulations be now incorporated into the body of the Act; in particular, the requirement that contributions collected by an association should either be held in a fund under the control of an approved trustee or invested in some other approved manner, that any such trust funds be held only in authorised trustee investments, and that the trust funds be maintained at appropriate levels as certified annually by a qualified actuary.

Amendment of Construction Industry Long Service Leave Act 1987

This Act currently requires the funds established under the Act to be investigated triennially by the Public Actuary.

The moneys in the funds are contributed by Construction Industry and Electrical and Metal Trades employers and the board managing the funds consists of equal numbers of employer and employee representatives and a presiding officer nominated by the Minister (of Labour). The board is serviced by officers of the Department of Labour but these administration costs are met from the funds.

It is considered appropriate that the actuarial reviews of the funds should be under the control of the board and carried out by a qualified actuary appointed by the board.

The amendment provides for this change.

Amendment of Judges' Pensions Act 1971

This Act currently requires that the amount of the annual adjustment of pensions shall be certified by the Public Actuary.

The calculation involved is a simple one using the Consumer Price Index figures published by the Australian Bureau of Statistics and an actuarial certification is therefore considered unnecessary.

It should be noted that similar calculations under the Superannuation Act and the Police Superannuation Act do not require actuarial certification.

The amendment does not change the form or amount of the pension adjustment; it merely removes the requirement for actuarial certification of the adjustment.

Amendment of Motor Vehicles Act 1959

The Third Party Premiums Committee established pursuant to section 129 of this Act currently consists of eight persons appointed by the Governor upon the recommendation of the Minister (of Transport).

One of the eight persons is the Public Actuary.

The amendment proposes that the Public Actuary be replaced on the committee by a person nominated by the Minister.

Amendment of Parliamentary Superannuation Act 1974

Sections 17 and 24 of this Act require certain rates of salary, needed in the determination of pension entitlements to be determined by the Public Actuary. Such determinations are an administrative matter and do not require actuarial input.

Section 35 of the Act requires that the amount of the annual adjustment of pensions shall be certified by the Public Actuary.

The simple calculation is the same as that under the Judges' Pensions Act referred to earlier and does to require actuarial expertise.

The amendments do not change the determinations or calculations; they merely remove the need for unnecessary actuarial involvement.

Amendment of Police Superannuation Act 1990

The first part of his section of the amendment deletes the subsection of this Act that refers to the positions of Public Actuary and Deputy Public Actuary which are being abolished.

Subsection 15 (4) of the Act currently requires three-yearly reports from the Public Actuary on the state and sufficiency of the Police Superannuation Fund and the operation of the scheme.

These reporting requirements are not consistent with those of the Superannuation Act which were amended in 1990 to require more appropriate actuarial reports on the cost of the scheme to the Government and the ability of the fund to meet its liabilities.

The amendment provides that the same actuarial reports will be required in respect of the Police Superannuation Scheme.

It also removes the requirement that such reports must be made by the Public Actuary and requires that the Minister (of Finance) must obtain a report from a qualified actuary appointed by the Minister.

Appointment of the actuary by the Minister rather than by the board is considered appropriate because the report is required by the Government for costing, funding and budgeting purposes.

The only restriction on the appointment is that the actuary shall not be a member of the board. This is consistent with the current provision that the reporting actuary (the Public Actuary) is precluded from being a member of the board.

Amendment of Superannuation Act 1988

The amendment deletes the references in sections 8 and 13 of this Act to the positions of Public Actuary and Deputy Public Actuary which are being abolished.

It removes the requirement that the three-yearly actuarial reports on the scheme and the fund must be made by the Public Actuary and requires that the Minister (of Finance) must obtain a report from a qualified actuary appointed by the Minister.

As with the Police Superannuation Act it is considered appropriate that the appointment of the actuary be by the Minister rather than by the board since the report is required by the Government for costing, funding and budgeting purposes.

The current Act requires certain calculations relating to retirement benefits to be determined by the Public Actuary.

The amendment places this responsibility with the board which would in practice seek appropriate advice as necessary in relation to the determinations. The amendment also requires notifications in relation to these matters to be made to the board.

Amendment of Workers Rehabilitation and Compensation Act 1986

The first schedule of this Act currently requires the Public Actuary to estimate, at three-yearly intervals, the extent of the corporation's liabilities with respect to the Mining and Quarrying Industries Fund which is a special account within the corporation.

All other actuarial work required in connection with the corporation's activities is carried out by actuarial consultants appointed by the corporation.

It is considered appropriate that the actuarial estimates required in connection with the Mining and Quarrying Industries Fund should also be provided by the corporation's actuaries and the amendment provides for this change.

The provisions of the Bill are as follows:

PART 1
PRELIMINARY

Clause 1 is formal.

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

Clause 3 is formal.

PART 2
AMENDMENT OF BENEFIT ASSOCIATIONS ACT 1959

Clause 4 amends section 4 to insert a definition of 'actuary' and to strike out the definition of 'Public Actuary'.

Clause 5 inserts a new section 5a. The section provides that contributions made to a benefit association must be held in a fund under the control of a trustee or otherwise as approved by the Minister. If placed in a fund under the control of a trustee, contributions must be invested in accordance with the provisions of the Trustee Act 1936 and the value of the fund must be maintained at a level at least equal to the liabilities of the fund certified annually by an actuary.

Clause 6 amends section 6 to provide that the annual return of a society and other requested information is to be forwarded to the Minister. References to a prescribed form are deleted.

Clause 7 amends section 7 so that all investigatory functions are carried out by the Minister rather than by the Public Actuary.

Clause 8 amends section 8 to provide that the Minister after considering an actuarial report may make provisional recommendations to a benefit association where it proves to have a deficiency of assets. Previously such recommendations were made by the Public Actuary.

Clause 9 similarly amends section 9 to provide that the Minister may make provisional recommendations to a benefit association where satisfied that it has a surplus of assets.

Clause 10 amends section 10 consequential to the amendments to sections 8 and 9.

Clause 11 amends section 11 consequential to the amendments to sections 8 and 9.

Clause 12 amends section 12 to provide that the Minister may prepare a report on the financial position of a benefit association for circulation to its members if that association fails to comply with a provisional recommendation of the Minister. Previously such a report was prepared by the Public Actuary.

Clause 13 amends section 14 to provide that the Minister, rather than the Public Actuary, is to vet any material which solicits contributions to a benefit association.

Clause 14 inserts new section 14a which provides that the Minister may delegate his powers to a person assigned to a specified position in the Public Service.

PART 3
AMENDMENT OF CONSTRUCTION INDUSTRY
LONG SERVICE LEAVE ACT 1987

Clause 15 amends section 4 to insert a definition of 'actuary'. Clause 16 amends section 24 to provide that the investigatory functions previously carried out by the Public Actuary are to be carried out by an actuary appointed by the board.

PART 4
AMENDMENT OF JUDGES' PENSIONS ACT 1971

Clause 17 amends section 14a to provide that the adjustment percentage in relation to judges' pensions is to be determined by the Minister without actuarial involvement.

PART 5
AMENDMENT OF MOTOR VEHICLES ACT 1959

Clause 18 amends section 129 (2) *(b)* to replace reference to the Public Actuary in relation to membership of the committee appointed to inquire into insurance premiums with reference to a person nominated by the Minister.

PART 6
AMENDMENT OF PARLIAMENTARY
SUPERANNUATION ACT 1974

Clause 19 amends section 17 to allow the South Australian Parliamentary Superannuation Board to determine the rate of additional salary payable to a member in respect of a prescribed office no longer existent at the date of the member's retirement. Previously this function was undertaken by the Public Actuary.

Clause 20 amends section 24 in a manner similar to the amendment made to section 17.

Clause 21 amends section 35 to provide for the adjustment percentage in relation to parliamentary pensions to be determined by the Minister without actuarial involvement.

PART 7
AMENDMENT OF POLICE
SUPERANNUATION ACT 1990

Clause 22 inserts a definition of 'actuary' into section 4.

Clause 23 strikes out section 7 (2) removing a prohibition on the appointment of the Public Actuary or Deputy Public Actuary as a member of the Police Superannuation Board.

Clause 24 revokes the current section 15 (4) and substitutes subsections (4) and (4a) which provide that the Minister must obtain for each triennium a report in relation to the current and future cost of the superannuation scheme to the Government and the ability of the fund to meet its current and future liabilities from an actuary, not being a member of the board, appointed by the Minister. Previously, a similar report was prepared by the Public Actuary.

PART 8
AMENDMENT OF SUPERANNUATION ACT 1988

Clause 25 inserts in section 4 a definition of 'actuary'.

Clause 26 amends section 8 to delete reference to the Public Actuary and Deputy Public Actuary in relation to restrictions on membership of the Superannuation Board.

Clause 27 strikes out section 13 (2) removing a prohibition on the appointment of the Public Actuary or Deputy Public Actuary as members of the Investment Trust.

Clause 28 revokes current section 21 (4) and substitutes subsections (4) and (4a) which provide that the Minister must obtain for each triennium a report in relation to the current and future cost of the superannuation scheme to the Government and the ability of the fund to meet its current and future liabilities from an actuary, not being a member of the board, appointed by the Minister. Previously, a similar report was prepared by the Public Actuary.

Clause 29 amends section 34 to provide for the determination by the board of the value of additional contributions required of a contributor. Previously such a determination was made by the Public Actuary.

Clause 30 amends clause 9 of schedule 1 to provide that the board, rather than a Public Actuary, is to calculate reductions to pensions.

PART 9
AMENDMENT OF WORKERS REHABILITATION
AND COMPENSATION ACT 1986

Clause 31 inserts in section 3 a definition of 'actuary'.

Clause 32 amends clause 4 of the first schedule to transfer responsibility for triennially determining the Workers Rehabilitation and Compensation Corporation's existing and prospective liabilities in relation to the Mining and Quarrying Industries Fund from the Public Actuary to an actuary appointed by the corporation.

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

FRIENDLY SOCIETIES (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.

As the Bill has already been considered in another place, I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Bill

The main purpose of this Bill is to remove the statutory requirement for there to be a Public Actuary.

The position of Public Actuary is a statutory position arising pursuant to section 36 of the Friendly Societies Act.

However, the Public Actuary is also referred to in a number of other statutes with a wide range of duties, some of a strict actuarial nature, some regulatory and some involving board or committee roles.

It has always been difficult to attract and retain qualified actuaries in the Public Service. The South Australian Treasury had three qualified actuaries in January 1990, two of whom

qualified in the service in the previous four years, but now has only one.

On the other hand there are now six actuaries based in Adelaide whose consultancy services are accessible to the Government.

In the circumstances the Government proposes to abolish the statutory position of Public Actuary and amend the affected statutes to free-up the Government's existing actuarial resources and provide greater flexibility and efficiency in their use.

The Bill removes from the Friendly Societies Act all references to the Public Actuary.

A separate Bill deals with the other statutes that contain references to the Public Actuary.

The Bills provide for most of the functions currently performed by the Public Actuary to be handled, in general, in one of three ways:

- actuarial tasks will be required to be undertaken by a qualified actuary;
- regulatory tasks will be carried out by persons nominated by or given delegated authority by the responsible Ministers;
- board or committee memberships will be taken up by persons nominated by the responsible Ministers.

The opportunity is also being taken to make additional amendments to the Friendly Societies Act that are considered necessary or desirable.

The current Act sets out allowable forms of investment for friendly societies and also provides that other investments can be made with ministerial consent in 'shares, debentures or other securities'. The use of the term 'securities' precludes some investments that otherwise may be considered appropriate. The Bill replaces this term with 'forms of investment' to allow more flexibility in this area, but still subject to ministerial consent to each such investment.

Section 27 (2a) of the current Act allows societies to provide in their general laws for specified proportions of contributions paid by members to be transferred to the societies' management funds to meet the administration costs associated with fund membership.

Since friendly society bond funds were first established in 1982 societies' registered general laws have also provided for other transfers to management funds to meet the ongoing administration costs associated with the funds. Such transfers are desirable and in practice are made in the course of day-to-day business or as part of the end-of-year accounting process. Members are aware of such transfers.

The Bill introduces a new section to overcome a concern that these latter types of transfers are *ultra vires* under the current legislation. As the practice has been carried on since 1982 by all societies that offer friendly society bonds, under general laws that have been approved by members, certified by the Crown Solicitor and registered by the Public Actuary, this amendment has been made retrospective so as to not invalidate transfers made in good faith and in accordance with approved, certified and registered general laws.

A report late last year from an investment body raised concerns about what would happen to friendly society bond moneys in the event of a society running into financial difficulties.

Most bond fund registered rules contain the following, or similar, clauses: 'The fund shall be kept separate and distinct from all other funds of the society and the assets of the fund shall be kept separate and distinct from all other assets'. It is therefore reasonable to assume that bond fund members would believe that these funds and assets are 'quarantined' from other funds and assets of a society and that they could only be used in a wind-up situation for the benefit of the bond fund members.

The Bill introduces a new section to reinforce this position.

Over recent years friendly societies have tried to tailor their products to meet the specific needs of their members. Some societies have expressed interest in providing benefits tailored to educational needs of members and this seems a reasonable and appropriate activity in which societies could participate. However the current South Australian Act does not refer to educational needs as a lawful object.

The Bill extends the lawful objects of societies to include the provision of educational benefits.

The current Act requires financial statements to be drawn up on a cash basis. Although such cash statements are appropriate for annual returns that must be sent to the regulator, accounts prepared for presentation to members and for publication are more appropriately prepared on an accruals basis in accordance with generally accepted accounting standards. In practice, accounts are currently presented substantially on an accruals basis and the departure from the requirements of the Act are concurred with and commented on by the auditor.

The Bill amends the Act to allow accounts to be drawn up in accordance with generally accepted accounting standards.

Finally, it is considered appropriate and reasonable that the friendly society movement should contribute towards the cost of services provided by the Government in respect of the regulation of friendly societies. Such services have in the past been provided at no cost to the societies.

The Bill provides for fees to be charged to societies to allow the Government to recover the costs of services provided.

The provisions of the Bill are as follows:

Clause 1 is formal.

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

Clause 3 inserts a definition of 'actuary' and 'child' in section 3.

Clause 4 amends section 6 to provide that a society must notify the Minister, rather than the Public Actuary, of a change of registered office.

Clause 5 inserts a new paragraph IVA into section 7 (1) which provides that a society may maintain a fund for the object of education of members, their spouses, their children or grandchildren of any degree.

Paragraph *(b)* amends section 7 (8) to provide that the Minister, rather than the Public Actuary, may authorise a society to maintain a single fund for more than one purpose.

Clause 6 amends section 9a (9) to provide that the consent of the Minister, rather than the Public Actuary, is required by a society to carry out a loan to its small loan fund from another fund.

Clause 7 amends section 10 (3) to provide that the Minister, rather than the Public Actuary, is to register die rules of a society.

Paragraphs *(b)* to *(e)* make consequential amendments to section 10.

Paragraph *(f)* removes the requirement that the Minister must act on the recommendation of the Public Actuary in allowing the committee of management, rather than a meeting of the society. to make or alter rules of the society.

Clause 8 repeals section Ida of die Act. The section performed a transitional function which is now exhausted.

Clause 9 amends section 12 of the Act.

Paragraph *(a)* amends subsection (1) *(g)* by removing the requirement that the Minister act on the recommendation of the Public Actuary in allowing a society to place funds in certain investments.

Paragraph *(b)* further amends subsection (1) *(g)*, replacing the terns 'securities' with 'forms of investment' thus liberalising the types of investment that a society may make subject to the consent of the Minister.

Paragraph *(c)* amends paragraph III of the proviso to subsection (1) to provide that any actuary, rather than the Public Actuary, may fix the surrender value of a member's life assurance.

Paragraph *(d)* provides that the Minister, rather than the Public Actuary, is to approve investment by a society in a building society. Paragraph *(e)* makes an amendment consequential on this amendment.

Clause 10 amends section 13 to remove a reference to securities. This amendment is consequential to that made by clause 9 *(b)*.

Clause II amends section 18 to provide that the Minister, rather than the Public Actuary, may exempt officers of a society from the requirement that they take out insurances in relation to their handling of money.

Clause 12 amends section 22a to provide that the Minister, rather than the Public Actuary, may authorise a society to defer payments to members.

Clause 13 amends section 27 (2) to provide that any actuary, rather than the Public Actuary, may make recommendations and reports to the Minister in relation to transfers by a society from a fund which assures sickness or death benefits.

Paragraph *(c)* inserts new subsections (2b) and (2c). New subsection (2b) allows the rules of a society to specify that a

proportion of a fund be paid to a management fund to defray the expense of maintaining a fund. Subsection (2c) provides that subsection (2b) operates retrospectively.

Paragraph *(d)* amends section 27 (3) to provide that the Minister, rather than the Public Actuary. may direct the restoration of sickness or death benefit funds that have been transferred contrary to the provisions of the section.

Clause 14 amends section 27a (1) so that any actuary, rather than the Public Actuary, may report a surplus of funds. On the receipt of such a report, the Minister may, without the need for further actuarial recommendation, consent to the application of such a surplus for the purposes set out in paragraphs I to VI. Paragraph VI is amended so that purposes other than those specified in paragraphs I to V must be approved by the Minister, rather than by the Public Actuary.

Paragraph *(d)* makes a consequential amendment to subsection (3).

Clause 15 inserts a new subsection (3) in section 28. The purpose of the amendment is specify that accounts for presentation to members may be prepared in accordance with generally accepted accounting standards.

Clause 16 amends section 28a to allow the Minister, rather than the Public Actuary, to require the appointment by a society of a qualified auditor. Paragraph *(b)* amends subsection (2) by updating an obsolete provision in relation to the qualifications of auditors.

Clause 17 amends section 29 of the Act specifying that annual returns are to be sent to the Minister rather than the Public Actuary. The Minister is given the power to require a society to provide information other Ulan that referred to in paragraphs (a) to (d2).

Paragraph *(b)* inserts a new subsection (2) which provides for the prescription of a fee payable by a society on providing the Minister with an annual return.

Clause 18 amends section 30 to provide that any actuary, rather than the Public Actuary, may carry out a quinquennial valuation. Paragraph *(b)* amends subsection (2) to provide that a society must send membership lists direct to the Minister. Paragraph *(c)* amends subsection (3) consequential to the amendment to subsection (1). Paragraph *(d)* strikes out subsection (4) for the same reason.

Clause 19 amends section 30a to provide that the Minister, rather than the Public Actuary, is to assess a quinquennial valuation and proposals following from it.

Clause 20 amends section 33 consequential on the amendment to section 30.

Clause 21 amends section 35 consequential on the amendment to section 29.

Clause 22 amends section 35a by transferring the Public Actuary's powers in relation to control of misleading advertisements by societies and foreign friendly societies to the Minister.

Clause 23 repeals section 36 which requires the appointment of the Public Actuary.

Clause 24 amends section 37 by striking out subsection (1) which sets out the duties of the position of Public Actuary abolished in clause 23.

Paragraph *(b)* amends subsection (2) consequential on amendments to section 30.

Clause 25 amends section 38 to provide that the Minister, rather than the Public Actuary with the approval of the Governor, may publish model forms and prepare statistics for use by societies.

Clause 26 amends section 39 to provide that the Minister and persons authorised by the Minister, rather than the Public Actuary. may inspect certain documents.

Clause 27 repeals section 40 (2) which places a duty on the now abolished position of Public Actuary.

Clause 28 amends section 45 to provide that certain resolutions of a society must be registered by the Minister rather than by the Public Actuary.

Clause 29 makes amendments to section 45a to provide for the dissolution of societies by the Minister rather than by the Public Actuary.

Paragraph *(d)* replaces subsection (6), replacing obsolete references to the Companies Code with references to Part 5.7 of the Corporations Law. That Part deals with the winding up of bodies other than companies. Any necessary modifications to the scheme of Part 5.7 as it applies to societies may be made by regulation.

Clause 30 inserts a new section 45ab after section 45a. The section makes it clear that various funds held by societies are to be kept separate on the winding up of a society.

Clause 31 amends section 45b consequential on the amendments to sections 45a and 45f.

Clause 32 amends section 45f to allow the Minister, rather than the Public Actuary, to investigate and wind up a society.

Clause 33 amends section 45g to provide that a person acting to set aside the dissolution of a society must notify the Minister rather than the Public Actuary.

Clause 34 inserts section 56a to provide for delegation of the Minister's powers to a member of the Public Service. A delegation may be conditional and is revocable by the Minister at will.

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

EXPIATION OF OFFENCES (DIVISIONAL FEES) AMENDMENT BILL

Returned from the House of Assembly with an amendment.

STATUTES AMENDMENT (EXPIATION OF OFFENCES) BILL

Returned from the House of Assembly without amendment.

SUMMARY PROCEDURE (SUMMARY PROTECTION ORDERS) AMENDMENT BILL

Returned from the House of Assembly with an amendment.

CRIMINAL LAW CONSOLIDATION (APPLICATION OF CRIMINAL LAW) AMENDMENT BILL

Returned from the House of Assembly without amendment.

COMMERCIAL ARBITRATION (UNIFORM PROVISIONS) AMENDMENT BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

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

That the Council at its rising adjourn until Thursday 5 November at 11 a.m.

In support of my motion, I indicate that the Council has to sit next week because of the difficulties with the Appropriation Bill and the fact that no accommodation could be reached with the House of Assembly about the sitting times. That means that we will sit Thursday to deal with the Appropriation Bill, and we will also sit on Friday, as will the House of Assembly.

Motion carried.

At 6.27 p.m. the Council adjourned until Thursday 5 November at 11 a.m.