HOUSE OF ASSEMBLY

Wednesday 29 May 1996

The SPEAKER (Hon. G.M. Gunn) took the Chair at 2 p.m. and read prayers.

MOUNT GAMBIER HOSPITAL

A petition signed by 2 057 residents of South Australia requesting that the House urge the Government to reopen closed facilities at Mount Gambier Hospital, retain staff and to improve medical services to residents of the South-East was presented by the Hon. H. Allison.

Petition received.

OBSTETRIC INDEMNITY INSURANCE

A petition signed by 2 420 residents of South Australia requesting that the House urge the Government to resolve the issue of obstetric indemnity insurance for medical staff was presented by the Hon. H. Allison.

Petition received.

Mr VENNING: On a point of order, Mr Speaker. We are unable to hear, and the Chamber is not noisy.

Members interjecting:

The SPEAKER: Order! I did point out yesterday that all members would be aware that there is considerable renovation taking place in the building and that some of the equipment is not working as well as we would all like. Members will have to bear with the administration. But the point that the honourable member makes should reinforce to all members that they should not continue unnecessary conversation or interject and then everyone will be able to hear.

The Hon. Frank Blevins interjecting:

The SPEAKER: Order! I suggest to the member for Giles that he has been here long enough to know that he does not make any comments in relation to table officers.

MIDWIFERY REGISTER

A petition signed by 10 residents of South Australia requesting that the House urge the Government not to remove the Midwifery Register from the Nurses Act was presented by Mrs Penfold.

Petition received.

AUDITOR-GENERAL'S REPORTS

The SPEAKER laid on the table the following reports of the Auditor-General:

A supplementary report for the year ended 30 June 1995;

South Australian Water Corporation, report on the procedures associated with the receipt, opening and distribution of the final submissions on 4 October 1995;

Special audit report on the valuation of forest assets.

The Hon. S.J. BAKER (Deputy Premier): I move:

That the reports be printed.

Motion carried.

PAPER TABLED

The following paper was laid on the table:

By the Minister for Health (Hon. M.H. Armitage)—

Chiropodists Act—Regulations—Registration Fees.

FERRIS, MS J.

The Hon. R.G. KERIN (Minister for Primary Industries): I seek leave to make a ministerial statement.

Leave granted.

The Hon. R.G. KERIN: Yesterday, during Question Time, the Deputy Leader of the Opposition asked on what date Ms Jeannie Ferris left my office. I must say that there is no joy to the Opposition in the answer. Ms Ferris resigned from my office on Thursday, 1 February 1996. The date for nominations for Senate candidates was fixed as 9 February 1996—more than one week after Ms Ferris left my office and well in time for her to be a legitimate candidate at the 2 March election. The Opposition is obviously seeking to create some mischief by raising this matter, but I can assure them—

Members interjecting:

The SPEAKER: Order!

The Hon. R.G. KERIN: —that the resignation of Jeannie Ferris from my office has no effect on the constitutional matter currently being debated in the Senate. I would like to place on the record the tremendous effort that Jeannie Ferris contributed to Primary Industries and the portfolio of Mines and Energy in this State while in her role as Chief-of-Staff. She held that position for nearly two years and in that time she was one of the key architects in helping turn around the performance of our rural sector.

For example, she was influential in negotiating the $11 million strategic plan for Eyre Peninsula. Other areas where Ms Ferris was influential include the Young Farmers' Incentive Scheme, property management planning, the rural debt audits, economic development plans for PISA, integrated management committees for the fishing industry, and the list goes on. She was a tireless worker for this State while employed by the Government and no doubt when she takes her seat in the Senate Jeannie Ferris will make an equally important contribution at the Federal level and continue to be a valuable asset to South Australia. It really is out of order that this issue was raised by the Deputy Leader of the Opposition and I trust this assures the House that there is not a problem.

Mr Clarke interjecting:

The SPEAKER: Order! I warn the Deputy Leader of the Opposition. He has started off very early today.

The Hon. R.G. KERIN: I suggest to the Opposition and the South Terrace brains trust that if they wish to make a meaningful contribution to South Australia they concentrate on the issues and not focus on attacking individuals who are making a real contribution to the State.

JOINT COMMITTEE ON WOMEN IN PARLIAMENT

Ms GREIG (Reynell): I bring up the final report of the committee, together with the minutes of evidence, and move: That the report be received.

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

Mr CUMMINS (Norwood): I bring up the twenty-fourth report of the committee and move:

That the report be received and read.

Motion carried.

Mr CUMMINS: I bring up the twenty-fifth report of the committee and move:

That the report be received.

Motion carried.

QUESTION TIME

MENTAL HEALTH SERVICE

The Hon. M.D. RANN (Leader of the Opposition): Does the Premier agree with the Minister for Health that there is no crisis in mental health care in this State and that additional beds for mental health patients would be a waste of resources? Will he discipline the Minister for telling the Disability Action Group that he, the Minister, did not care and is not worried about extra beds?

The SPEAKER: Order! The Leader of the Opposition is clearly commenting. I direct him to ask his question and not comment. He is aware of the rulings of previous Presiding Officers, particularly former Speaker Trainer, and I intend to uphold those rulings.

Members interjecting:

The SPEAKER: Order! The Minister for Tourism is out of order.

The Hon. M.D. RANN: Thank you, Sir. Following a meeting with the Minister on 23 April, the Disability Action Group wrote to the Minister on 15 May expressing concern at the outcome of their deputation. The letter states:

I did leave the meeting with an ongoing concern at your 'I don't care; that doesn't worry me' comments when we discussed the needs for extra beds for people seeking crisis mental health intervention. You made the comment in the name of service efficiency and indicated that 25 spare beds would be a waste of resources. I would like to reinforce that the deputation was not pursuing a 25-bed surplus. We sought an acknowledgment of the crisis facing many individuals and their families.

The Hon. M.H. ARMITAGE: I am delighted to address this question because I hope to be able to put to bed some shibboleths. I believe the Leader of the Opposition has delighted in whipping up unnecessary hysteria. Yesterday I spoke about the media and its role in stigmatisation. I will quote some words that the Leader of the Opposition used on television not long ago when he spoke about mental health. The Leader of the Opposition was talking about people in the community with a mental illness. May I say that one in five people in South Australia—

The Hon. M.D. Rann: That's what I said.

The Hon. M.H. ARMITAGE: You said a lot more, too.

Members interjecting:

The SPEAKER: Order! The Leader has asked his question.

An honourable member interjecting:

The SPEAKER: Order! The member for Peake is completely out of order.

The Hon. M.H. ARMITAGE: The Leader of the Opposition made these comments with regard to people with a mental illness in the community: 'I remind members that one in five people in the community at some stage will come in contact with mental illness themselves. It is no respecter of position. It is no respecter of family. The fact that your family has not thus far had a mental illness does not mean that you are immune.' He talked about them, clearly hoping to draw in all the negative issues relating to Port Arthur. The Leader of the Opposition said, 'They are a time bomb waiting to go off.' He also said, 'They are the walking wounded of our community.' I have seen no greater example of stigmatisation than that.

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: It is simply amazing that the Leader of the Opposition would say that. Although, when one looks at his counterparts in another State, it is hardly surprising because at the moment the Minister for Health in New South Wales, the Hon. Andrew Refshauge, is seeking public comment on a plan that would require people with illnesses such as schizophrenia to go to an institution. On the 5AN news a couple of days ago the Hon. Mr Refshauge said:

Well, it'll mean that people who are mentally ill and having problems, and often causing their neighbours problems, will now, with the . . . with the change that's been proposed, would be allowed to be taken into a hospital and receive treatment. Up until now unless they are actually a danger to themselves they wouldn't be able to receive that treatment.

That simply goes against absolutely every tenet of the national metal health policy that all previous Governments over the past three or four years have been following religiously, because most people do not have their heads in the sand. Most people realise that the main problem with people with a mental illness is stigmatisation, and that is exactly what the Leader of the Opposition is attempting to do.

If we address the matter of the beds, the Leader of the Opposition has delighted in talking about the lack of beds. I know one should not respond to an interjection but I will respond, anyway.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader of the Opposition is formally warned under Standing Order 137.

The Hon. M.H. ARMITAGE: I made the comment, 'That does not worry me' to Disability Action Incorporated when it said that it would go public with its concerns. I said, 'That does not worry me' because I know that there is no crisis.

The Hon. M.D. Rann interjecting:

The Hon. M.H. ARMITAGE: I said that I did not care if it went public with its concerns, because its concerns are baseless. That is the position: its concerns are baseless. The facts are that since the days when Don Hopgood was the Minister for Health the entire mental health area has been moving towards a process of community care and de-institutionalisation.

The previous Government did absolutely nothing about providing money for care in the community. We had to pick up that ball and run with it. We have committed $11 million into the black hole for community services. We are within a month or so of being able to have the best community services we can possibly have in South Australia. At the moment there is a tight bed situation: I have acknowledged that. I have acknowledged it publicly time and again. But it is absolutely stupid to have a whole lot of empty beds now if, when the community teams come into operation, they treat people in the community and, hence, obviate the need for going to hospital.

I knew that this question would arise. I must say that I thought it would arise yesterday, so I do not have the bed

state today. But at 1.15 yesterday there were two closed beds available in Brentwood; one open bed at Lyell McEwin; one open bed at Woodleigh in Modbury Hospital; one open bed at Royal Adelaide Hospital; 11 acute beds for elderly patients and seven extended care beds. That is the situation. It is tight: I understand that; but the system is coping perfectly well.

DARWIN TO ALICE SPRINGS RAILWAY

Mr WADE (Elder): Will the Premier advise the House of the latest developments in planning for the Alice Springs to Darwin railway?

The Hon. DEAN BROWN: The railway working group, which comprises representatives from both the Northern Territory and South Australian Governments plus private industry involvement, met here in Adelaide in April and we had a detailed run down of what work had been completed so far and what additional work was being undertaken—and that work is now under way. The Federal Government has now put forward a broad proposal for its assistance to the Alice Springs to Darwin railway. First, it has offered to roll in free of charge the existing Tarcoola to Alice Springs line, which is a very important part; secondly, it is funding the completion of the survey for the railway line as it approaches Darwin; and, thirdly, it has agreed to examine in detail the use of infrastructure bonds to fund the railway. They are three very important initiatives being funded or proposed by the Federal Government.

In addition to that, considerable headway is now being made with the private sector concerning its involvement in this project. Daewoo, an international Korean company, is particularly interested in looking at both putting in equity and being involved in the construction of the railway. The Bank of America has identified four potential railway operators. Some of those operators are currently in Australia, and some of them are coming in the next week or so, to look at the potential operation of this railway line. Symonds Henderson, the people who did the original estimation of freight to be carried on this line, are now carrying out a final marketing assessment of the potential amount of freight on the line. The indications are that there will be a quite considerable increase compared to the original estimates put forward in the Wran committee report.

There are also talks under way; I believe that legal advisers have been appointed or are about to be appointed; and a merchant banker is about to be appointed to assist the working group. In addition to that, we are looking for other potential equity holders who may take an equity interest in the railway line. I noted with some interest comments made by the Leader of the Opposition, I think two weeks ago, after a visit to Darwin. He asked: 'When will the South Australian Government back this project?' First, the South Australian Government committed $100 million to this project at the time of the last election. I point out that the former Labor Government in this State did not give $1 towards the construction of this railway line, and the Labor Party in this State has never committed any financial assistance to the construction of the railway. One has to ask: 'Why not?'

Secondly, most of what the Leader of the Opposition talked about when he came back from Darwin had already been discussed in quite some detail when the working party was here in Adelaide. We had a detailed press conference and the media came along and heard what we said. I also find it very interesting, because it was the Leader of the Opposition who was calling on the Federal Government to support this. I wonder why our Leader of the Opposition did not come clean and talk about what Prime Minister Keating said about the railway line from Alice Springs to Darwin. When Keating came to Adelaide just prior to the calling of the Federal election and drove in on the new standard rail engine line, he talked to the Minister for Transport and me and pointed out that he was not in favour of the Alice Springs to Darwin rail link.

An honourable member interjecting:

The Hon. DEAN BROWN: He did so. He had a discussion with the Minister and with me down at the rail link in Adelaide, and he made absolutely clear to me—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: —that he was not in favour of the rail link and that he would not be making a financial commitment to it. In fact, he argued that it was against the interests of South Australians. The fact is that, whether at the State level or federally, the Labor Party in government has never shown any interest in this. Now that the Leader of the Opposition is in opposition and we have a Liberal Government federally and in the State, he comes out trying to support the project. The man is shallow, to say the least.

I also point out that he then came up with this idea of a new ship building industry in Adelaide to build the fast freighters that could run from Darwin into Asia. But he did not say that the South Australian Liberal Government helped to establish that industry in Port Adelaide. We gave incentives to establish in this State, and that is the only reason it is there. Therefore, again I am afraid we have Johnny Come Lately or Ranny Come Lately, or whatever you want to call him, who is clearly just trying to grab a headline when he knows that in reality Labor Governments federally and in the State have given no support whatsoever to this rail line being built.

Members interjecting:

The SPEAKER: Order! When the House comes to order we will proceed. The Leader of the Opposition.

MENTAL HEALTH SERVICE

The Hon. M.D. RANN (Leader of the Opposition): Following the Premier's claims yesterday that admissions to the State's public hospitals have increased, is the Premier aware that mental patients at Glenside Hospital are being booked into the Plaza Hotel in Hindley Street because no other accommodation is available for them? The Premier can answer this. The Opposition has documents from Glenside Hospital which describe how patients were booked into the Plaza Hotel because of a lack of accommodation. The case notes describe one patient booked into the hotel as being in a crisis situation, vulnerable to abuse by others and psychotic features.

The Hon. M.H. ARMITAGE: I was not aware of that particular instance, but I would be absolutely thrilled to receive notification about it, because I would like to know who made that clinical decision. As the Leader of the Opposition knows, this Government does not interfere in any single clinical decision.

Members interjecting:

The SPEAKER: Order! Under Standing Order 137 I warn the Leader for the second time. Members know the consequences; they have been in the Chamber long enough. I will proceed with the next course of action if the Standing Orders are contravened.

The Hon. M.H. ARMITAGE: As the Leader of the Opposition knows, the Government does not interfere with a single clinical decision. I give the House the same assurance as I indicated regarding the bed status yesterday. And that was the bed status as at 1.15 p.m.: the figures always go down in the afternoon, because that is when the patients are discharged. I assure the House that acute beds have been available all the time. I have said that the situation is tight. We have gone to the extent of taking beds in the private sector to ensure that there is always a backfill.

The simple fact is that the Chief Psychiatrist, on a daily basis, informs the Director of Mental Health Realignment in relation to bed status. It is tight, as I have said, not because nothing is happening but because in a month or so we will have the best possible community care which will stop patients getting into hospital in the first instance, and that is what the patients and their family want. In the meantime, we are taking actions to ensure that there are always beds available, and there always have been.

STATE TAXATION

Mr CAUDELL (Mitchell): Will the Treasurer please inform the House of South Australia's position in relation to State taxation levels, given that the level of business taxation is a key component in attracting new business and investment to South Australia?

The Hon. S.J. BAKER: The Commonwealth Grants Commission assesses the performance of each of the States in terms of expenditure and revenue raising. It is well understood that this State has a lower revenue raising capacity than all the States on average. We then should look at where the taxing effort is. In certain areas, we have a higher than average taxing effort but, overall, we are 4 per cent below the national average. That has to be good for business and good for the people of South Australia.

The main variations where we are higher than elsewhere are those areas where Queensland is either not taxing or taxing on a much lower level. We all recognise that there are certain parts of this country that have special tax breaks, and Queensland happens to be one of them, in areas such as petrol and tobacco. The important issue for South Australians is how our taxation effort is focused. One of the key issues which is reported upon, and which reflects upon the taxing effort, is payroll tax. In payroll tax terms, the taxing effort ratio for South Australia is 88.5, which means it is 11.5 per cent below the average for the nation. So, we are actually giving special emphasis to payroll tax, which is one of the key issues for businesses in the whole of Australia, and we are one of the best performers in this country in terms of payroll tax.

The interesting statistic for South Australia from the last assessment is that the cost of taxation in South Australia was $1 393 per head. We can compare that with the level in New South Wales, which was $1 813; in Victoria, $1 756; and in Western Australia, $1 486. We can see that this Government has focused on maintaining, retaining and attracting new businesses to this State. So, I do make the point—and it has already been discussed—regarding the extent to which this State offers special advantages.

With respect to our being a low taxing State, we are 23 per cent below Victoria and 26 per cent below New South Wales, and we have the second lowest payroll tax rate of all States. Importantly, we give benefits to export, which is a key issue as far as this State is concerned, and the other States are still catching up. We give a 50 per cent rebate on payroll tax for new exports. I emphasise that, whilst our below taxing effort is noted by the Commonwealth Grants Commission, we say in this case it is a virtue, because the area where we give the greatest emphasis and the greatest capacity for industry to succeed is payroll tax, and that has to be good for business in this State.

MENTAL HEALTH SERVICE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. What agreement exists between Glenside Hospital and the Plaza Hotel for mental patients to stay at the hotel; are other hotels used; and what arrangements are in place for the care, treatment and security of patients who are booked into private hotels?

The Hon. M.H. ARMITAGE: As I said, I do not know the detail of that and clearly I will obtain it. Let me assure the honourable member that, despite what she and her colleagues seem to want to admit, there are people with a mental illness who can live in society. There are actually people with a mental illness who are quite capable: they are not time bombs waiting to go off; they are not the walking wounded.

As I have said, on the advice that I have received, acute beds have been available. I am more than pleased to look at the situation to see why that clinical decision was made, because, as everybody realises, clearly the Government does not make clinical decisions. It would be totally inappropriate were we to do so. But the simple facts are, on the advice that I have been given, that the situation has been fairly similar on a daily basis—up or down a few beds—to the situation that I detailed in an earlier answer where, clearly, it was obvious that beds were available—a small number but nevertheless available beds for people in crisis situations.

INDUSTRIAL RELATIONS

Mr BASS (Florey): Has the Minister for Industrial Affairs seen letters that are being sent by trade unions to South Australian businesses relating to industrial relations reform? Can the Minister say what rights and obligations employers have under South Australian laws in regard to responding to demands contained in these letters?

The Hon. G.A. INGERSON: I thank the member for Florey for his question.

Mr Clarke interjecting:

The Hon. G.A. INGERSON: You ought to be surprised! Your bully boys are at it again.

The SPEAKER: Order! The Minister will answer the question.

The Hon. G.A. INGERSON: That was quite an amazing interjection by the Deputy Leader. Here we have his old union mates at it again. They sent a very short letter to every business in South Australia which says that the company has to agree to not reduce existing pay and conditions in all current awards and agreements and that the company has to accept the collective process of negotiation. In other words, the union boys have to be involved again.

Mr Clarke interjecting:

The SPEAKER: Order! Under Standing Order 137 the Deputy Leader of the Opposition has his final warning. I repeat: members know the consequences if they again disrupt, and I will exercise the authority I have to maintain order. The honourable Minister.

The Hon. G.A. INGERSON: The last two sentences are interesting:

> Whilst the union is prepared to discuss these matters, failure to agree to the claims will be treated as a refusal to commit yourself to maintaining existing arrangements. In that event the union, in consultation with its members, will take such action as it considers necessary [to close you up].

What an amazing situation! I thought it was 1996 and that we were in the era of enterprise agreements. The fascinating thing about this is that 50 per cent of all the agreements that have been registered in the State commission are organised by the unions, yet here we have the very same unions saying that they do not want anybody else to have union agreements, whether or not they are to change or improve conditions for the unions. It is absolutely incredible. The follow-up is even more amazing. Not only did they send a threat but they sent a reply letter, saying, in effect, 'Dear Union Secretary, I agree with all your threats, all your promises, and we are now going to lay down and behave ourselves.' That is incredible, because all non-union members in this State are guaranteed under the law that they can enter into agreements and adjust award conditions, if they so choose, by agreement. That is the law. I assume that the union movement has done this with the support of the Deputy Leader, who has been very silent on this issue; we have not heard him saying that State law and all the agreements that his union mates have entered into ought to be agreed to.

It seems to me to be an absolute stunt. Here we have the union movement not prepared to accept what happened on 2 March, which saw the single biggest movement of unionist Australians away from the Labor Party. Thousands of unionists voted Liberal and provided a mandate to make change. But the bovver boys and the bullies of the union movement are not prepared to accept that change. All they want to do is stand over every small business that is going to make an improvement in this State's economy. It will be very interesting in the next couple of months to see whether the thugs of the union movement get back out on the streets again and start trying to suppress and change what will be excellent law and an excellent improvement for the economy of not only South Australia but the whole of Australia.

MENTAL HEALTH SERVICE

Ms STEVENS (Elizabeth): My question is directed to the Minister for Health. Were patients transferred against their will from the Glenside Hospital to the Modbury Hospital to create vacancies at Glenside over Easter? The Opposition has a letter from a former patient at Glenside that states that from 4 to 9 April 1996 patients were transferred from Glenside to the Modbury Hospital without being asked. The letter states:

> The doctor admitted any change would upset a person but they picked the four out who they thought would cope with the change of environment. (You see when a person is depressed they want to be left in an environment known to them so that they can concentrate on getting better.) This didn't happen; we were moved so that the South Australian Government didn't have any more bad publicity about Glenside.

The Hon. M.H. ARMITAGE: I think that does indicate one thing: it indicates that these decisions are made on clinical grounds. We do not have anything to do with these decisions. As I have told the House on many occasions—and I repeat it—we are moving to community care, which is what the world is telling us to do; it is what the experts are telling us to do. The only people who seem not to be comfortable with this situation, because of the fact—

An honourable member interjecting:

The Hon. M.H. ARMITAGE: As the Deputy Leader says, they want them locked up because they are a timebomb waiting to go off; they are a danger to the whole of society.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: That is exactly what the Opposition says and that is exactly what the Leader of the Opposition said in his media release. This is thinking from the 1940s, and it is appalling; it is the worst possible stigmatisation practised by the Opposition for the most base political motives. The simple fact of the matter is that there are places that are appropriate for people with a mental illness. If we are to keep the people in the community—which is where they want to be, but the Opposition obviously does not want them there—we must establish the community teams. As I have said, that produces a difficult situation in the short term of about a month. But the fact is that we are able, through clever usage of the beds, with clinical decisions, to ensure that we can establish the community teams as quickly and appropriately as possible to provide the best care for the patients.

PATAWALONGA

Mr OSWALD (Morphett): Will the Minister for Housing, Urban Development and Local Government Relations explain to the House the work that has been undertaken to clean up the Patawalonga at Glenelg, and will he provide the House with any information he may have on the allegations involving bacterial contamination within the catchment area?

The Hon. E.S. ASHENDEN: I want to thank the member for Morphett for his question and also acknowledge his tremendous effort in having the Patawalonga cleaned up. Ever since his election in 1979 he has been trying to have that area cleaned up and at last we have a Government that is proceeding with the work, a Government which has already spent $7 million on the project.

Members interjecting:

The Hon. E.S. ASHENDEN: The inane interjections from the Deputy Leader of the Opposition show what a tenuous hold he has on that position. But I return to the important question which has been asked. This Government has spent $7 million in cleaning up the Patawalonga. We are working upstream as well as at the Patawalonga itself; we have introduced silt traps to ensure that solid rubbish does not move into the Patawalonga, and we have removed the silt that has accumulated over 35 years.

As far as physical impurities are concerned, the steps have been taken. However, the bacterial level has not yet been addressed for one simple reason: until we are able to institute a unidirectional flow of water into the Patawalonga, we will not be able to correct the problem. This work will be done as soon as the EIS process has been completed. The EIS report was released 2½ weeks ago and is now out for public consultation. As soon as public comment is received, the Government will make a decision as to the exact methods and techniques to be used in the full development of that area.

It has been determined that a unidirectional flow of water will enter from the sea at the northern end at high tide and then be released through the southern end at low tide. That process will ensure that there is fresh water moving into the Patawalonga at all times and in this way the bacterial problem will be overcome making the water perfectly safe for any

form of human contact. Steps have been taken in the major area of physical pollution and it will not be long before the bacterial problem is overcome.

MULTIFUNCTION POLIS

The Hon. M.D. RANN (Leader of the Opposition): Has the Premier yet obtained a commitment from the Commonwealth regarding the continued funding of the MFP as a national project, and has he given a commitment to the Commonwealth that the level of funding given by this State will be at least maintained at 1995-96 levels of over $26 million. The MFP has full bipartisan support in this State—

Members interjecting:

The SPEAKER: Order! The Leader has the call.

The Hon. M.D. RANN: —and received the full support of the previous Federal Government. The Howard Government is yet to commit publicly to the continued funding of the MFP, and some media reports are claiming that the State Government will cut its contribution this year. Doubts have also been raised about the status of the proposed Delfin-Lend Lease Housing/Business Development at The Levels following media reports that developers have hired SA Water's PR firm, Kortlang PR, to lobby actively against the MFP proposal.

Members interjecting:

The SPEAKER: Order! The Leader of the Opposition absolutely defied the ruling of the Chair.

The Hon. S.J. Baker: I take a point of order, Sir.

The SPEAKER: No, there is no point of order; the Speaker is on his feet. If the member for Hart wants to be removed from this place, then I suggest he continue and that will happen to him. The next member who again questions the ruling of the Chair, or who interrupts when I am accepting a point of order, will be named on the spot. The Deputy Premier has a point of order.

The Hon. S.J. BAKER: I was about to raise the issue of comment and, despite the fact that you called him to order, the Leader continued with his explanation. The explanation given by the Leader of the Opposition was full of comment.

The SPEAKER: Order! The Deputy Premier is correct. However, I understand that the Leader has now completed his question. I call the Premier.

The Hon. DEAN BROWN: The budget, which details all the expenditure proposed for the MFP this coming year, will be released tomorrow. I think the Leader of the Opposition will find that there is substantial funding—very substantial funding indeed—for the MFP in this coming year. The Bureau of Industry Economics report has not yet been released. That report was commissioned by the former Labor Government to determine the level of funding that should be provided for the MFP in the 1996 Federal Government budget. Therefore, we are awaiting that report. We will eagerly wait to see what moneys there are in the 1996 Federal Government budget, which will be brought down in August. In the meantime, the full answer to the Leader of the Opposition's question will be given tomorrow and he will find there is a substantial level of funding for the MFP.

WATER, OUTSOURCING

Mr CONDOUS (Colton): Will the Minister for Infrastructure respond to the House on today's report by the Auditor-General on the contracting out of metropolitan water and waste water services?

The Hon. J.W. OLSEN: The member for Hart, I hope, will read the full report because it will put the honourable member back in his box over the allegations that have been made by the Opposition in relation to the process and this contract. Let me quote from the conclusions of the Auditor-General, and I might add that the Government and SA Water welcome his report. The Auditor-General has examined in detail the circumstances surrounding the opening of the request for proposal documents by SA Water on 4 October and the fact that one document was received some 4½ hours after the due time. The Auditor-General stated:

> The Government has embarked on an important strategic initiative with the determination that SA Water will outsource the management of the water and waste water services in the Adelaide region. . . there is no evidence to suggest that this action resulted in any impropriety. . . based upon the results of the audit review, there is no evidence to suggest that the events that occurred on 4 October. . . is tainted with illegality, corruption or impropriety.

The finding is absolutely unambiguous. In addition, I will quote several other extracts from the Auditor-General's Report, which was tabled today.

Mr Foley interjecting:

The Hon. J.W. OLSEN: We have had the probity auditor, we have had the Solicitor-General and now we have the Auditor-General, and they are singing the same tune. There is nothing wrong with the process, and it is a great contract for South Australia. I know that the member for Hart does not like that, but it happens to be the fact of the matter. Let me quote further extracts from the Auditor-General's Report, as follows:

> . . . as confirmed by the Solicitor-General, the legality of the arrangements between SA Water and United Water has not been affected. . . In negotiating and entering into these contracts, SA Water and the other agencies involved have adopted an innovative and flexible approach to selecting the best contractor to fulfil the Government's strategic objectives.

The Auditor-General goes on to say:

> . . . the contractual arrangements adopted by SA Water for this project were soundly based and exhibited a high standard of probity.

There is nothing much ambiguous about those statements. The report continues:

> . . . there is no evidence that would suggest that the decisions made by the personnel of SA Water and each of its consultants were made other than in good faith. . . in the case of SA Water, it would be unfair to that authority not to acknowledge the action it took to ensure what, in its view, allowed for fairness to all parties involved.

That is in addition to what the Auditor-General told the indeterminate select committee, which the Opposition and the Democrats are intent on running right down to the next election. That is fine. They can run it through to the next election if they want. There was a test at the last Federal election in the seat of Adelaide where a water candidate stood for election and received 246 votes or .5 per cent of the vote. If they want to waste their time pursuing this issue to the ballot box, good luck to them! I hope they do because, whilst they concentrate on that, the Government will simply get on with the business of governing South Australia. On 18 December the Auditor-General told the select committee:

> If we look at it clinically, this process—

a request for a proposal, not a tender, I hasten to add—

> will enable the Government to get a better deal at the end of the day.

And we did get a better deal because of an RFP at the end of the day. It was a better deal by millions of dollars in the

interests of the taxpayers of South Australia. I also want to quote from the Solicitor-General's report because, now that we have all these reports, it is important to start putting them together. They paint a very clear picture about the process and the contract that is now in place in South Australia. Mr Selway stated in his report:

> First, it seems to me that it is not fully appreciated just how complex this transaction has been. Although improvements can obviously be made, the procedure adopted by SA Water was generally excellent. It has delivered what appears to be a satisfactory contract within a time frame that I personally thought was not achievable.

Instead of pursuing vilification of public servants who have worked diligently to implement the Government's vision, a vision that will develop a water industry and exports for South Australia whilst providing and maintaining the level and standard of service to South Australians and injecting in that process $164 million worth of savings, the Opposition should start looking at the positive outcomes rather than in the rear-view mirror in terms of the process.

The Auditor-General has completed his report, and it includes recommendations about the RFP process that ought to be put in place. They are welcome recommendations that were picked up from the Auditor-General's investigation in the United States, where, as the Auditor-General says in his report, an RFP process is common practice. The only problem in South Australia is that the Opposition did not want to acknowledge that it was an RFP process. It wanted everybody to believe that it was a tender—five o'clock, open the envelope, pick the best price and award the contract. That was never proposed. They are living in the 1950s and 1960s. They are not up with the 1990s, let alone trying to plan for the next millennium.

The select committee of the Upper House has vilified public servants. For example, the CEO of SA Water has been called no fewer than four times, and I understand that he is about to be called back a fifth time. This ongoing saga—

Mr Foley interjecting:

The Hon. J.W. OLSEN: So he should! The Auditor-General's Report, the Solicitor-General's report and the probity auditor's report have all put your accusations, nitpicking, carping and innuendo about this process where it ought to be—on the sidelines. Members opposite have not laid a glove on the process or on the contract. I know they do not like it, but it is there in black and white from the Auditor-General and tabled in this Parliament. I will take the Solicitor-General's advice, the Auditor-General's advice and the probity auditor's advice before I take the member for Hart's advice on these matters.

The simple fact is that there is now a complete picture. The process was right at the end of the day. It is a damn good contract for South Australia, and all the carping from the member for Hart to get a cheap political headline on this process will count for nought at the end of the day, because South Australians will know that what we put in place with this contract will develop economic activity and a water industry for South Australia, and every South Australian will benefit as a result.

METROPOLITAN FIRE SERVICE

Mr CLARKE (Deputy Leader of the Opposition): Will the Premier give a guarantee that the safety of the people of South Australia and their property will in no way be compromised under the terms of the Government's proposals for the future staffing of the South Australian Metropolitan Fire Service? The Government has endorsed a proposal to reduce the staffing of the fire service by 81 positions, leading to a reduction in the available immediate response staff of 19 per cent per shift.

Members interjecting:

The SPEAKER: Order!

Mr CLARKE: The proposal will reduce the operational response staffing to below 1981 levels.

The Hon. S.J. BAKER: I rise on a point of order, Mr Speaker. This is clearly comment.

The SPEAKER: Order! The Deputy Leader of the Opposition, in framing his question, is aware of the ruling I earlier referred to by Speaker Trainer and by my predecessor.

The Hon. Frank Blevins interjecting:

The SPEAKER: Order! I suggest to the member for Giles that he not continue his running description of proceedings, and that the Deputy Leader ask his question, briefly explain it and not comment.

Mr CLARKE: They are factual comments.

Members interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition knows the guidelines for asking questions. I ask the honourable member to complete his question in accordance with Standing Orders or I will call on the Minister.

Mr CLARKE: The Minister responsible in 1981, the now Minister for Infrastructure, increased staffing levels then because he believed they were too low for public safety.

Members interjecting:

The SPEAKER: Order! The Deputy Leader—

Members interjecting:

The SPEAKER: Order! I would suggest to the front bench that the Chair does not need to be advised on what action it can take.

The Hon. W.A. MATTHEW: I thank the Opposition for finally asking a question in this Parliament about my portfolios. This is the first question asked in this Parliament by the Opposition relating to my portfolios—in which more than $500 million worth of taxpayers' money is spent—since 16 November 1995. I welcome the opportunity to respond to a question from the Opposition in this House. I welcome the opportunity particularly to respond to this matter.

Mr Clarke interjecting:

The Hon. W.A. MATTHEW: If the Deputy Leader of the Opposition sits backs, waits and listens, he will receive an answer to his question.

The SPEAKER: The Deputy Leader of the Opposition will not be in the Chamber very much longer. One more word from the Deputy Leader of the Opposition and I will name him.

The Hon. W.A. MATTHEW: The union representing the Metropolitan Fire Service protests that it has been negotiating with both the previous and the current Governments over their various grievances for the past four years. Under the framework of enterprise bargaining, this Government has been pleased to afford the union the opportunity to air its concerns and to negotiate for a pay rise. This Government would be the first to defend the need to have a properly trained, well-equipped fire service at the ready. Liberal Governments have always been prepared to ensure that we have a properly trained fire service at the ready.

Much has changed since the 1930s in South Australia. We now have a requirement that when a high-rise building is constructed it has an automated sprinkler system throughout, which is activated in the event of fire. It requires that fire

alarms be installed in our buildings. This Government has ensured that new dwellings constructed in South Australia also have fire alarms installed, and we have encouraged all South Australians to install fire alarms in their premises.

The fact is that, as a result of these initiatives, the fire service of 1996 and beyond the year 2000 is a damned sight different from the fire service that was needed in the 1930s. If a fire starts in a city building, the sprinkler system is activated and starts to put it out. A much different fire service is needed today. There are benchmarks now available nationally and internationally for a well-equipped fire service. The fact is that we have more fire officers on a fire appliance in South Australia than they do, for example, in Victoria. They do not put out their fires with any less effect in Victoria than they do in South Australia. Therefore, my management team is quite appropriately asking the question: why should we continue to staff the fire service in South Australia at the current level if those staffing levels are not required elsewhere?

In metropolitan Adelaide we have 18 fire stations. Each station has a station officer responsible for its management. The problem is that we have 160 station officers responsible for 18 fire stations. Even if we allow for four shifts seven days a week, 24 hours a day, that comes to only 72. What do the 160 do? That is one area where staffing has been targeted, and the union is aware of that. At this time 47 of those positions are on the table for removal.

Let us look at the way a firefighter advances through the service. There are 200 senior firefighters in South Australia. How does one become a senior firefighter? He or she must serve for eight years and then pass a practical examination and theoretical test. We need senior firefighters in South Australia but, based on national and international standards, my management team—themselves former firefighters, along with a CEO, who is a professional manager who has been brought in to head the service—advises that we do not need 200.

For very good reason, the way in which the fire service is structured is very much on the table. I support 100 per cent the efforts of my management team to restructure the fire service to ensure that it is ready to serve the State's needs into the year 2000. If that means a reduction in firefighting numbers to equate with modern technology and modern methods, so be it. However, the lives and property of South Australians will not be put at risk in any way at all as a result of these changes. They are necessary, they are long overdue and they are about to happen. The union has had the opportunity to negotiate those changes sensibly.

Members should also be aware that last year Cabinet approved the amalgamation of the fire and ambulance services to introduce further efficiency. Cabinet approved that amalgamation so that former separate ambulance stations and former separate fire stations become fire-ambulance stations. The reason is simple: an ambulance station and a fire station are the same thing. They are buildings that accommodate vehicles, personnel and equipment. Savings have already commenced as a result of those processes being introduced but, as the member for Peake well knows to his disgust, the United Firefighters Union has put a ban on a purpose built fire-ambulance station in his electorate.

This type of action will jeopardise lives. The union has prevented the amalgamation by physically barricading an ambulance from taking up its rightful place at that station and therefore adding, in some instances, up to two minutes to an ambulance call-out in the western suburbs. That type of action is unacceptable. It is not the action of a union that is interested in saving lives—it is the action of a union that is only interested in playing politics. What we are about is a more efficient service to save lives.

I first met with the leader of the United Firefighters Union to discuss reforms a couple of weeks after the State election. The State Secretary, Mr Paul Caica, put a proposal to me. In fact, his words to me were: 'The Government will have a problem with the fire service in that we are a large, well-resourced organisation that is under utilised, and the best advice the union can give your Government is that we are prepared to work with you to better utilise that resource.' Those were the words of the secretary of the firefighters union. He then went one step further and said, 'But, of course, you will have a problem. My members will complain that the sirens of ambulances keep them awake at night, but do not worry, as secretary of the union, I will negotiate that through.'

The problem is that the secretary of the union was rolled and is now having trouble with his executive. We want to negotiate this through. The changes make sense. I believe the secretary had an appropriate vision, but he has been unable to deliver and unable to work with this Government. We have given him 2½ years, and now the Federal secretary has been brought in to do his work. That is a shame, but we have the opportunity to work this through for very good sensible reform for South Australia.

PERPETUAL LEASES

Mr VENNING (Custance): Will the Minister for the Environment and Natural Resources advise the House on current negotiations to freehold perpetual leases in South Australia? For many years I have been approached by constituents who are keen to purchase properties currently held under perpetual lease. Lessees believe that they are being disadvantaged because, although they can sell or develop their land, they can never claim true title under the current system. I have raised this issue both with the previous Government and now this Liberal Government and would be very pleased to hear of progress.

The Hon. D.C. WOTTON: I thank the member for Custance for his question because I, too, have received a great deal of representation on this matter, and much of that representation has come through the member for Custance, so it is totally appropriate that he ask this question. A number of people who hold perpetual leases are keen to buy their land outright. I am pleased to announce that that is the direction the Government is taking.

The new policy of the Government will overcome many anomalies in a system that has seen fragmentation over a long period of time in ownership and leasing arrangements in a number of rural areas throughout South Australia. Freeholding will also provide land-holders with much greater security and will overcome the high costs of annual administration, which far outweigh the value of rents received. That was something I realised very soon after coming into office.

As the honourable member would realise, perpetual lease properties in South Australia are spread throughout the agricultural regions, including marginal cropping country. Applications to freehold in traditional zones will be assessed on a case by case basis. Should the land be used predominantly for agricultural cropping, the option to freehold will be offered. Consistent with longstanding Government policy, the offer will exclude range land pastoral country. About 5 000

holders of perpetual leases will soon be sent letters from my office setting out the offer. Also, the Department of the Environment and Natural Resources is setting up a process, first, to register the interests of lessees and then to process the transfer of title once they are approved. People wishing to check their eligibility to freehold can contact their regional Environment and Natural Resources office at their convenience.

The system of perpetual leases, many of them issued before the turn of the century, is now well and truly outdated. Modern legislation such as the Soil Conservation and Landcare Act and the Native Vegetation Act have to a very large extent removed concerns about land management. In fact, this legislation has helped to strengthen the obligations of land-holders in regard to sound land management practices. I am very pleased with the progress that has been made, particularly in recent times. In many cases, rents charged on perpetual leases are locked in at nominal rates, and I believe that the move to freehold will help overcome high costs in annual administration, as I said earlier, which outweigh the value of the rents received. I would be delighted if the member for Custance were able to make his constituents aware of the direction that the Government is taking.

UNITED WATER

Mr FOLEY (Hart): My question is directed to the Minister for Infrastructure. Does the Minister—

Members interjecting:

The SPEAKER: Order!

Mr FOLEY: I will start again. Does the Minister for Infrastructure agree with the Auditor-General's comments in the executive summary of his report into the events surrounding the late arrival and opening of United Water's RFP documents on 4 October when he says:

> . . . the procedures adopted regarding the BAFOs on 4 October 1995 prior to the receipt of the late submissions by United Water did not adequately exclude the possibility of an improper interference thus raising concern as to the integrity of the process.

He further states:

> . . . the procedures of 4 October 1995 on becoming known did create a perception that gave rise to public concern and this is a circumstance that should be guarded against in the future. . .

He also states:

> Nonetheless, the matters discussed herein—

Members interjecting:

The SPEAKER: Order! Can I point out to the member for Hart that he has not sought leave to explain his question and he is now making a lengthy comment.

Members interjecting:

The SPEAKER: The member for Giles, I think, is as well aware of Standing Orders as I am, and I suggest that he needs to give the member for Hart a little coaching on how to ask a question. The honourable member for Hart.

Mr FOLEY: Thank you, Sir. I will conclude by saying that the Auditor-General states:

> Nonetheless, the matters discussed herein did have an inherent tendency to give rise to the perception of unequal treatment and the possibility of an improper interference in the processes at a critical time.

The Hon. J.W. OLSEN: I am very pleased to have this question from the member for Hart, because this is a rear-guard action to try to save some of the ground that has just disappeared from underneath him. Yes, the Auditor-General does say in effect what the member for Hart said but in the context of the perception that was created. Who created this perception? It was the members of the Opposition. They created the perception by innuendo, by carping, by comment, by criticising and by drawing inferences as, indeed, the Auditor-General identifies. But what the Auditor-General goes on to say is contained in the conclusions and the recommendations.

If the member for Hart is both a slow reader and a slow learner, let me quote again from the summary. After looking at all these matters in some thorough manner and detail and presenting his report to the Parliament, the Auditor-General said:

> . . . there is no evidence to suggest that this action resulted in any impropriety. . . Based upon the results of the audit review, there is no evidence to suggest that [this process] is tainted with illegality, corruption or impropriety.

There is no more absolutely unambiguous statement that you could put on the public record in relation to the process and this contract that we have put in place for South Australia. The Opposition members have had their fun with this: they have played political football with it, and I understand why they do that. I had a few years in opposition, and I know what that process is like. But at the end of the day, when a Solicitor-General, an Auditor-General and a probity auditor tick it off, it is about time they put up the white flag and go away, because they are done like a dinner. What the member for Hart ought to understand now is that this process and this contract have the support of the Solicitor-General and the Auditor-General who, in his report—which is a very thorough report—looks at procedures that are in place overseas.

As I indicated, the Auditor-General refers to the fact that an RFP, a request for proposal, upon which you negotiate to enhance the deal in the interests of the taxpayers, is a common occurrence in the United States. It is relatively new in Australia, and this process is new for South Australia. What the Opposition has attempted to do is to confuse a tender with an RFP—and deliberately so—for political purposes. But as the executive summary of the Auditor-General states at the start:

> It is important that this report be considered as a whole.

The member for Hart just has not done that. The Auditor-General says, 'Read the whole report.' I invite the member for Hart to read the whole report, to consider it in its whole context and to come to conclusions at the end of the report. What it will show is that the process could be improved, yes, but there was nothing wrong with this process in South Australia—nothing wrong with the process. And we have a valid contract now in place—a contract that is a leading edge contract in Australia; a contract that the World Bank has referred to its Infrastructure Forum for introduction in other localities throughout the world. So much for the innovative, creative flair of this visionary project.

It is about time, instead of carping, criticising and knocking constantly, the member for Hart, the Opposition and the Democrats recognised that in this is a damn good deal for South Australia. And it is about time, having been caught out, that they acknowledged that simple fact.

Mr FOLEY (Hart): My question is again directed to the Minister for Infrastructure. Does the Minister agree with the findings of the Auditor-General contained within the executive summary related to the events of 4 October? Further in the executive summary the Auditor-General states:

> The document handling procedures that were applicable on 4 October 1995, particularly in relation to the opening and distribution

of copies of the submissions before all had been received, increased the risk of issues of integrity being raised with respect to the handling of the final clarification submissions on that date.

He further states:

Regardless of the nature of the process (RFT or RFP) it was inappropriate for SA Water to open and distribute copies of the submissions as they were received having regard to the arrangements that existed within the agency during the time period when this particular activity was undertaken.

Explain that one.

Members interjecting:

The SPEAKER: Order! The member for Hart was warned about commenting. That was what I would describe as a schoolboy prank. In view of that, he is off the list for Question Time tomorrow. The Minister.

The Hon. J.W. OLSEN: Thank you, Mr Speaker. I know that the member for Hart does not necessarily like the position that has been reached after much deliberation and consideration, but it is a statement of fact. I would ask the member for Hart once again to read the first sentence of the executive summary of the Auditor-General's report wherein it states that it is important that the report be considered as a whole. In doing so, I would ask him then to go to the recommendations, where the Auditor-General has signed off in effect on this process. Again let me quote from this report, as confirmed by the Solicitor-General, where he stated that the legality of the arrangements between SA Water and United Water have not been affected: simple. He said:

In negotiating and entering into those contracts, SA Water and other agencies involved have adopted an innovative and flexible approach to selecting the best contractor to fill the Government's strategic directions and objectives. The contractual arrangements adopted by SA Water for this project were soundly based and it exhibited a high standard of probity.

I return to my comments in answer to an earlier question when I suggested to the member for Hart that, instead of vilifying public servants who have worked extraordinarily hard to deliver this project for South Australia and instead of engaging in a political point scoring exercise, for once in his parliamentary career he get above that, not talk as he did yesterday about Actil and 650 jobs being at risk. He would know that we have been negotiating for two years to close that off. The honourable member puts it in the public arena to score a cheap political point, which will compound the difficulties for us in negotiating the bottom line—the protection of jobs. It is the same thing.

Mr Foley interjecting:

The Hon. J.W. OLSEN: I will talk about it; I will be pleased to talk about it. The simple fact is that you do not like it, because you have been caught out and left without a feather to fly with. It is a great position to be in.

PARKS HIGH SCHOOL

Mr De LAINE (Price): My question is directed to the Premier. Why did not the Premier, the Minister for Education and Children's Services, the parliamentary secretary to the Minister for Education and Children's Services or any other elected representative of the Government attend a public meeting at The Parks High School last Saturday to explain to the students, parents and teachers why the school must be closed? Last Saturday about 400 people, including disabled students, migrant students and adult re-entry students, their parents and teachers attended a rally to discuss the Government's decision to close The Parks High School. No-one from the Government attended.

The Hon. DEAN BROWN: First, this is a matter for the Minister for Education and Children's Services.

The Hon. M.D. Rann: They invited you.

The Hon. DEAN BROWN: I know they invited me, but I was elsewhere. Secondly, it was quite clearly largely a Labor Party stunt. Former Premier Don Dunstan was there—

Members interjecting:

The SPEAKER: Order! The member for Norwood is out of order, and he will join the member for Hart tomorrow if he continues.

The Hon. DEAN BROWN: They had to roll out a former Premier, even though he is almost 70, to replace the Leader of the Opposition. I indicate that I was out of Adelaide. Secondly, it is a matter for the Minister for Education and Children's Services, and the honourable member should take it up with him.

FERRIS, MS J.

The Hon. M.D. RANN (Leader of the Opposition): Is the Premier aware that the Australian Senate passed a resolution this morning referring the matter of the election of Senator-elect Jeannie Ferris to the Court of Disputed Returns; and has he had any discussion with his Federal colleagues regarding the timing and the procedure to be followed if Ms Ferris is forced to resign?

Members interjecting:

The Hon. M.D. RANN: There seems to be a bit of noise—a few internal factional problems, I think.

The SPEAKER: Order! There are too many interjections on my right.

The Hon. M.D. RANN: Reports from Canberra today indicate that, following the Senate result, Ms Ferris may be forced to resign from the Senate in July to recontest the casual vacancy.

The Hon. S.J. BAKER: I rise on a point of order, Mr Speaker: it is the same point of order we have raised on a number of occasions about comment and explanation.

The SPEAKER: Order! I ask the Leader of the Opposition to comply with Standing Orders in explaining his question.

The Hon. M.D. RANN: Absolutely, Sir. I am informed from Canberra today that information about Ms Ferris's previous employment had been leaked by Senator Amanda Vanstone and a prominent factional ally of the Premier in this House.

Members interjecting:

The SPEAKER: Order! The last part of the question is totally out of order.

Members interjecting:

The SPEAKER: Order! If the member for Hart continues to defy the Chair and go on in a rabbling fashion instead of conducting himself as a member of Parliament, he will not be here for the budget tomorrow. I suggest to the Leader of the Opposition that he has persistently and wilfully continued to defy the Chair; he takes no notice. I have pointed out and I want to make clear that, if there is one interjection tomorrow from any of his front bench, there will be no warnings and I will name members. I suggest to him that he look at New South Wales *Hansard* to see the manner in which the Speaker there conducts the affairs: he sent the Sergeant-at-Arms into the corridors to bring back an honourable member so he could name him for interjecting.

The Hon. M.D. RANN: I rise on a point of order and clarification, Mr Speaker. Will the same rule about interjections apply to the other side of the House?

The SPEAKER: Order! There is only one set of Standing Orders, which was introduced before I became Speaker. There is no difference. The Premier.

The Hon. DEAN BROWN: I happened to hear a snippet of the debate in the Senate on this matter this morning. One could only describe this as a political stunt of the Labor Party in Canberra. We all know the sort of politics which members of the Labor Party like to get into and which they certainly display, particularly in opposition. Secondly, there has been no discussion with me or my Government about a replacement, because we do not believe there will be a replacement. We are very confident indeed about our position.

GRIEVANCE DEBATE

The SPEAKER: The proposal before the Chair is that the House note grievances.

The Hon. FRANK BLEVINS (Giles): My grievance today is an appeal to the Minister for Industrial Affairs in his capacity as having the final say on whether a petroleum products retail outlet licence is given to Mr Rick Pearce's company in Whyalla. The reason is that Mr Rick Pearce has finally got his petrol refinery going at Port Bonython. I think this refinery was initially announced by Premier Tonkin, so it has been quite a while coming. I congratulate Rick Pearce if he has got the refinery going. I have not spoken to him in 10 years, but I am delighted to hear of his final success. Persistence does mean something, and he should get full recognition for that persistence. I hope that his refinery does well and that he prospers.

Mr Pearce has asked for a petrol outlet to be made available to him in Whyalla, and I want it on the record that I support that request very strongly indeed. He has requested an outlet in the old part of the town. That outlet is closed down at present; it was closed down a number of years ago by Ampol. Mr Pearce has requested a licence to reopen it. It is not near any of the other major petrol retailers in the town, and it would add some long needed competition in petrol retailing in Whyalla.

Over the years, motorists in Whyalla have been ripped off unmercifully by the oil companies and their agents. Unleaded petrol in Whyalla has for many months been around 79¢ a litre, when the price at times has been 10¢ a litre below that in the metropolitan area. This applies also in other rural areas where there are no petrol stations on major highways—and there are none within 100 kilometres of Whyalla—and the oil companies jack the price up because poor motorists in places like Whyalla have nowhere else to go and they just pay through the nose.

At last we have somebody who is willing to break the monopoly that the oil companies have at present in Whyalla, and the Minister should give him every support. The Minister is well known as a supporter of the free enterprise system. He is well known as a supporter of competition. He is well known as a person who feels that competition can only be good for the consumer. Therefore, I fully expect that the Minister, when the docket is formally before him, will give this petrol outlet a licence, and that the Minister will back up his words over all the years I have been here listening to him and give that additional outlet a licence.

I know that some of the petrol retailers in Whyalla have objected to another licence being granted. I find that surprising and disappointing. I cannot see how it can harm other petrol retailers at all. As to what they have done over the years, at the bidding of the oil companies, they have had no option. They have quoted prices that the oil companies and agents have stated. If they feel they are threatened because this new retailer will lower prices, what they can do is what they have done in the past—whether by telephone hook-up or by ESP I am not quite sure—and reduce their prices to meet the competition, the same as they have always jacked them up to what the market could bear when we have had no option.

It would be absolutely unconscionable if petrol being refined in Whyalla was not allowed to be sold in Whyalla. I know that the Minister will heed this grievance, and I speak on behalf of tens of thousands of petrol consumers in Whyalla. Mr Pearce will, I am sure, be cheered on by petrol consumers in Port Pirie and Port Augusta, where he has outlets, if he can expand his operation to other country towns and other regional areas in South Australia where at present every consumer of petroleum product is being ripped off by the oil companies.

The Hon. M.H. ARMITAGE (Minister for Health): Earlier today in Question Time the Leader of the Opposition made some quite outrageous claims in relation to a patient who was a risk to the community and who had been placed from Glenside at the Plaza Hotel. He was clearly trying once again to stigmatise patients, to draw into the net all those one in five people who will have a mental illness and to basically blow up the situation. I now have a copy of the South Australian Mental Health Service notes from which I would like to read out certain parts. First, let me say that this is not a mental health crisis: this is an accommodation crisis, and that is exactly what the notes show.

At 0100 on 25 May 1995, this patient attended Glenside Hospital. The initial summary was that this person '. . . had lost his accommodation secondary to problems with his landlord'. The man claimed to have been assaulted, not that he was going to assault the community; he claimed to have been assaulted earlier in the day and he had a fat lip. The diagnosis, quite clearly identified on the notes, was 'accommodation crisis'. There is no mention whatsoever of that problem. What then happened was that the staff at Glenside Hospital, recognising that there was an accommodation crisis, not a mental health crisis, arranged for this man to go to the Plaza Hotel which the mental health teams use on a reasonably regular basis, I am informed, for people who are self-referees. Patients like going there because there are not many restrictions and there are services supplied.

At 0900 on the following morning, the fellow presented at Glenside again. The initial summary says, 'Left lodging last night and was placed in Plaza Hotel by cas. staff.' That is because there was nowhere else for him to go. He had no money; they had tried the Salvation Army, and the Salvation Army said 'No.' The fact that this person was in the Plaza Hotel just indicates the good care that is provided. It has absolutely nothing to do with a problem of mental health.

For the Leader of the Opposition to say things like, 'This man is in a crisis situation', and to draw the analogy once

again between mental health and problems in the community indicates, first, how blinkered he is; secondly, how willing he is to stigmatise people with a mental illness; and, thirdly, how rooted his and the member for Elizabeth's thinking is back in the situation existing 40, 50 or 60 years ago. I used to live out that side of town near Glenside, and I can well remember with great joy when the walls were taken down. The attitude of the Leader of the Opposition clearly indicates that he wants all the walls put up again. He is just like the Hon. Andrew Refshauge in New South Wales who says, 'If you have schizophrenia, you cannot live in society. We will put you away.'

Ms Stevens interjecting:

The Hon. M.H. ARMITAGE: Has the honourable member seen the movie 'One flew over the cuckoo's nest'? I will give her $5 and she can go down to the video store and have a look at it. That is the sort of attitude she has. The notes further state that, when they tried to get further accommodation, the woman in question did not want him; this woman was going to bash this man up. Honestly, for the Leader of the Opposition to come in here and draw an analogy between patients who go voluntarily to Glenside Hospital with an accommodation and financial crisis, and who are then provided with completely appropriate support (which is to find accommodation for them and to get them back the next day and assess them again) and any crisis in mental health indicates just how low he will go.

Mr BASS (Florey): Yesterday the Deputy Premier made a ministerial statement in relation to firearms laws proposed by the Police Ministers' meeting on Friday 10 May 1996. I would like to comment on his statement. I will preface my remarks by stating my position and that of over 100 000 firearm owners in South Australia. First, there is not one firearms holder in this State, and I am one of them, who will disagree with having strict firearms legislation in South Australia. Secondly, no-one will argue that Port Arthur was a tragedy that should never have happened, but the time for making decisions and formulating firearms legislation is not immediately following such a tragedy, as legislation driven by emotional hysteria is legislation that in the long term achieves nothing. Unfortunately, some politicians very quickly jump on the band wagon, the emotionally driven band wagon, and agree to anything in a point scoring frenzy.

The resolutions agreed to on Friday 10 May were simply the 10 resolutions that were already being debated by the National Committee for Uniform Firearms Laws, a committee of which I am a member as the South Australian representative. The Federal Attorney-General took the 10 resolutions, revamped them in several areas in a very poorly thought out manner, and then forced them down the throats of the State Ministers who, in my opinion, were wrong in accepting them without following the due process in the Parliaments of each State. The democracy in which we live says that the Parliament is the body which makes laws in South Australia. At the present time, the Liberal Government's task is to introduce laws that are fair and equitable.

Notwithstanding the Deputy Premier's comments contained in his ministerial statement, there is no draft legislation for the South Australian Parliament to debate. Cabinet has not seen nor debated any new legislation; the joint Party room has not debated nor even seen any proposed changes to the Firearms Act, and until that process has been followed and there has been a consultative period with the firearms fraternity of South Australia nothing further should be said in this House as we would only be boxing at shadows.

I have no problems, nor do firearms users in South Australia, with having strong penalties for a breach of the Firearms Act. What is more, if the draft Bill (when it finally reaches this place) does not contain severe penalties I will move amendments to ensure that those persons who break the law by the use of firearms are dealt with in a manner which reflects the seriousness of the offence.

Irrespective of what future laws are made, they will not stop tragedies involving firearms. The Port Arthur tragedy should be remembered as the catalyst which resulted in fair and equitable uniform firearms legislation throughout Australia, not as the catalyst which resulted in formulating laws which punished hundreds of thousands of law-abiding citizens who were guilty of no crime other than to have a sport or a hobby which involved the use of a firearm.

Ms HURLEY (Napier): I understand that the Labor Party was recently accused by the Premier on radio of holding up changes to the Development Bill, which would see development made easier in this State. The Premier and the Government are obviously getting in early to attempt to paint the Labor Party as being anti-development. This is very interesting, because notice of the Bill was given only yesterday and, on my request to the Minister's office, I was sent a copy of the draft Bill only on Monday evening, and I understand that it is not being debated until July.

I fail to see how we can be seen to be responsible for holding up a Bill which has not been introduced to the House, and when it is debated is a matter of the Government's own scheduling and has nothing to do with the Labor Party. I want to make it absolutely clear at this stage, as I will when the Bill is debated, that the Labor Party is in favour of development. Indeed, I have been calling for increased Government attention to the slump being faced by the housing industry. I have been asking the Government to stimulate development in the housing and construction industry because we, in the Labor Party, are anxious to see jobs being created in this State—and so far we have seen very little action on that front. We want to see workers keeping their jobs in the housing and construction industry and unemployed people given a chance to get into those industries. We recognise that, in this process, developers need to make a profit in order to keep going. That is the Labor Party's position.

It is also our position that development does not have a significant adverse impact on the social or physical environment of our State, and that is part of the process that everyone in the industry recognises and acknowledges. It is again important that the Government's contribution in the form of taxpayers' funds to the development in such projects is appropriate, and we need adequate scrutiny to ensure that this happens. Hence, the Opposition will carefully look at any Bill which pushes development, in order to ensure that these sort of safeguards are in place.

It is interesting to hear that the Government is accusing us of dragging the chain on development: that is totally unfounded, obviously. I want to make a comparison concerning what happened with the Local Government Boundary Reform Bill. There was a great deal of pressure from the Premier at that time as well, that we had to have local government boundary reform. He made a great deal of fuss about it being of vital importance to this State and significant for the good running of business in this State. He said that it was critical that the Bill got through. Now, as far as I can see at this stage, apart

from one merger involving Port Adelaide and Enfield (which I understand has gone well), local government boundary reform is in tatters. There is no leadership from the Minister or the Premier, just a series of placatory statements that 'everything is on track'.

The Labor Party and the Democrats ensured, by a series of significant compromises, that the boundary reform Bill was passed. I want to know, if the amalgamations were so important, where the Government is now. Where is the Government taking leadership and making statements to ensure that these 'oh so important mergers' happen? I think that what has happened is that the Premier, having made the gesture of passing the Bill on local government reform, will make the gesture on passing the Bill on the Development Act and then drop it like a hot potato just as he dropped the local government issue. He is content with making the gesture of passing tough sounding legislation and then not following through to make sure that something useful happens as a result of that legislation.

So, what are we all to think when the Government stands here in this House and makes these outrageous demands, says how vital these Bills are for this State and demands that we pass them but then sits back and does nothing when the Bill is passed and the projected outcomes do not happen? It is with great interest that we will finally have a look at this Development Act Amendment Bill and do what we can to ensure that a good Bill goes through.

Mr LEGGETT (Hanson): It was my privilege to attend the open day of the South Australian Aquatic Sciences Centre at West Beach on Sunday 14 April. It seems a long time ago now, but I can remember the day very vividly because it was a day before one of the strongest football teams in South Australia—West Adelaide—was beaten by Sturt, which had its first win for about three years. I was able to represent the Premier and the Minister for Primary Industries, Mr Rob Kerin, at this open day and mingle with 7 000 visitors at the Aquatic Sciences Centre of the South Australian Research Development Institute (SARDI).

Being basically ignorant in my knowledge of both fish and fishing, particularly in the area of fishing where I have a very clear lack of patience—unless I am catching fish every five minutes I am not satisfied—I was delighted to be taken on a private tour by the Chief Executive Officer, Rob Lewis, and his staff. I would like to take this opportunity to thank Rob for the courtesy he showed me on that open day.

In this very high technological business, sophisticated research is undertaken into fish farming, fish tagging and monitoring the marine environment; and help is provided by SARDI in managing the State's fishing grounds. This is strategic work of great importance to the State of South Australia. One of the great attractions at the centre, and one which captivated the large crowd in attendance, was the king crab (I will not give its scientific name because that would take five minutes). This crab is the world's heaviest crab of its type, weighing up to 13 kilograms. I am told that it lives in the deep waters off the Australian coast and that its meat is much sought after.

At the aquatic centre a very modern, up-to-date library is open to the public, providing access to the latest aquatic science information from around the world. There is also a broad range of material covering fisheries and aquaculture policy, economics, management and legislation. SARDI conducts practical, innovative research and development into the aquatic resources of South Australia to facilitate and promote the sustainable use and protection of an aquatic environment.

The centre also includes a comprehensive conference room in which the Government has had the opportunity on two occasions to conduct day seminars. There is also a lecture theatre, a range of laboratories and a computer controlled seawater and fresh water supply system servicing extensive indoor and outdoor aquaria.

On a rather dismal and windy day, it was gratifying that the open day attracted 3 000 more people than anticipated; in fact, 7 000 people attended. It was great to see many families at the open day—people of all ages, in particular the young people, taking such a vital interest in this work. I trust that this will be the first of many such open days. The people of South Australia need to be reminded that in our backyard we have a high technology complex, equal to any other of its kind in the world, and we must continue to promote such centres.

The Hon. E.S. ASHENDEN: Mr Deputy Speaker, I draw your attention to the state of the House.

A quorum having been formed:

STANDING ORDERS SUSPENSION

The Hon. S.J. BAKER (Deputy Premier): I move:

That Standing Orders be so far suspended as to enable Notices of Motion: Government Business Nos 1 to 4 to pass through all stages without delay.

Mr CLARKE (Deputy Leader of the Opposition): On behalf of the Opposition, I oppose the suspension. I indicate that the Opposition will not be calling for a division; we understand the mathematics of the House—36 to 11. However, we want to make a number of points. At the outset, with respect to Government Business Nos 1 and 2, the Opposition has no difficulty in supporting the suspension of Standing Orders to allow those Bills to be brought into the House and concluded today. We recognise that the two Bills are to the overall benefit of the people of South Australia, and therefore it is to the benefit of South Australia that they be dispatched fairly promptly.

However, with respect to Government Business Nos 3 and 4, those Bills deal with the disaggregation of the ETSA Corporation. They are not of such urgency that they could not be debated in the normal course of events, wherein they lay on the table of this Parliament for at least one week and are debated the following week. These Bills are very important, yet they have not been seen by the majority of members of this House. Certainly, the shadow Minister has seen them—with not a great deal of notice, I might add—and they have been discussed within the forums of our Party. However, the majority of members of Parliament on both sides of the House have not seen them.

We can see no pressing urgency for the Government to insist that Government Business Nos 3 and 4 be hurried along at this indecent haste. As I understand it, the reorganisation of ETSA will not come into effect until 1 January next year. Therefore, there is ample time to dispose of the Bills during this session of Parliament and certainly before we rise in July.

I also make the point that accusations have been levelled against the Opposition by the Premier that somehow or

another we have been uncooperative with the Government to the detriment of this State. If he wants to see an Opposition that is uncooperative and truculent, he has seen nothing yet. Quite frankly, we find his comments quite offensive and totally inaccurate. We on this side of the House have dispatched the business of the Government with a great deal of efficiency. Shadow Ministers on this side of the House and in another place have bent over backwards to ensure that important Government business has been completed within the timeframe.

Within 48 hours in this House and in the other place, we supported the passage of the racing legislation at the behest of the Government—with our support and blessing—in order for the Premier to announce at the Oakbank race meeting that he had reorganised the racing industry. It was not our fault that, in the other place, some members of your political persuasion, Sir, decided for their own factional interests to have a stoush with the Minister for Racing and hold up the progress of the Bill until the early hours of the following morning. We facilitated it.

On a number of occasions last year, when dealing with workers compensation and dispute resolution legislation and the like, the Opposition facilitated the passage of important Government business. We find it a bit rich that the Premier has the hide to attack us as an Opposition for not dealing with Government business. We can recall—and I was not in the House then, but other members have advised me—

An honourable member interjecting:

Mr CLARKE: As a matter of fact I used to sit in the public gallery and watch the gaggle of geese on the Opposition side—and they have not changed much now that they are in Government. In any event, what I noticed, and what I have been informed about, is that the now Government—the then Opposition—never gave an inch when it came to expediting Government business through the House. The then Opposition would insist on the one week layover of legislation in the House to enable all members of Parliament to study it, even if it was an uncontroversial matter which had the unanimous support of both sides of politics. This Government now wants to ram through legislation. As I said, we see an advantage to the State for the first two of the Government's Bills to be dealt with promptly, so we will facilitate that request. Unfortunately, the Government's motion also includes Nos 3 and 4, and there is no good reason why they cannot follow the ordinary course.

The Opposition is being treated with contempt and as irrelevant by the Premier. If he thinks that we are irrelevant, he should march up the corridor where the numbers do not favour the Government. This is the first time that the Opposition has formally opposed a motion to suspend Standing Orders in this area. Let the Premier try to deal with another place where his Government does not have the numbers. If the Government does not take heed of our warning today to treat us in a less cavalier way and with a greater degree of respect, we have a very simple and effective solution to that. The Government is on notice that, if it attempts to use its numbers in this place in similar fashion without very good reason and without our support, it can expect guerilla warfare in the trenches, hand-to-hand combat up the road where it does not have the numbers.

Mr Quirke: But no semiautomatics.

Mr CLARKE: But no semiautomatics, as the member for Playford points out. We will be there with bayonets. I put the Government on notice with respect to this matter and ask it to recognise the cooperative spirit with which, over the past 2½ years, the Opposition has facilitated Government business and important Government legislation that has been of benefit to the people of this State. The Deputy Premier should muzzle the Premier over some of the outrageous comments that have made about the so-called obstructionist attitude of the Opposition. If he wants obstruction, we know how to deliver it.

Motion carried.

PUBLIC FINANCE AND AUDIT (POWERS OF ENQUIRY) AMENDMENT BILL

The Hon. S.J. BAKER (Treasurer) obtained leave and introduced a Bill for an Act to amend the Public Finance and Audit Act 1987. Read a first time.

The Hon. S.J. BAKER: 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.

In February 1996, I requested the Auditor-General to examine the accounts of the Port Adelaide Flower Farm Board and examine the efficiency and economy with which the Board conducted its affairs, under section 32 of the *Public Finance and Audit Act*.

The Auditor-General has since informed me that there may be some doubt as to whether the Board was a properly constituted controlling authority and whether it had its own accounts. Further the Board was dissolved on 3 August 1995 and the Port Adelaide Council itself ceased to exist on 22 March 1996 when it amalgamated with the City of Enfield.

The Solicitor-General has advised the Auditor-General that it is not clear that section 32 of the Act extends to the examination of past activities, publicly funded bodies that have amalgamated, nor particular aspects of an organisation's activities.

The Solicitor-General indicates that it is appropriate for the inquiry to go ahead and that the circumstances of the Port Adelaide Flower Farm suggest that unambiguously broader powers are required under Section 32.

This Bill amends section 32 of the *Public Finance And Audit Act* to afford the Auditor-General these broader powers of inquiry.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for the retrospective operation of the amending Act to ensure the validity of investigations which have already commenced.

Clause 3: Amendment of s. 4—Interpretation

A definition of "publicly funded project" is added to cover projects like the flower farm.

Clause 4: Amendment of s. 32—Examination of publicly funded bodies and projects

This clause expands section 32 to enable the Treasurer to request the Auditor-General to examine the accounts of a publicly funded project and the efficiency and cost-effectiveness of the project.

Proposed new subsection (1A) provides that an examination may be made even though the body or project to which the examination relates has ceased to exist.

Mr QUIRKE (Playford): Whilst the Treasurer's explanation has not been read and the Bill has not yet been seen, I am aware of the contents of the measure before the House. I was contacted and my approval for this process was sought. I took it to shadow Cabinet and to the Party room and we agreed to it. In essence, as we understand it—and, if this is not so, we will seek to do something different further up the corridor—this measure has been found to be necessary by the Auditor-General and he supports it. An anomaly has been found in the Public Finance and Audit Act that means that, if an organisation changes its name or ceases to exist, the Auditor-General may not be able to pursue the possible

misuse of money over the years in relation to that organisation.

Over the past couple of years a large number of name changes have taken place and certain organisations have marched outside the public sector into private hands, changing their identity in the process. It is appropriate that the Public Finance and Audit Act have the power to seek out, expose and deal with fraud, so we have no problem with the measure before the House. Unless there is something in it of which I am not aware, we will support it in the other House as well and it will become law.

I hope that another measure concerning the Auditor-General is brought before this House in the not too distant future, that is, if the budget is to be presented at the end of May or early in June, the reporting period for the Auditor-General is brought forward. I take this opportunity to make clear that, if the Government does not do it, the Opposition will move that way. Whilst the Auditor-General reports on the financial year to the end of June, that exercise is of no value for parliamentary scrutiny if the Estimates Committees are held three months before his report comes out. That is a disgrace. I hope that that is changed in the near future. The Opposition supports the legislation.

The Hon. S.J. BAKER (Treasurer): I thank the member for Playford for his support for the Bill. In essence there is an anomaly, and it has been commented on by the Solicitor-General because he believes that it is contestable whether the Act allows the Auditor-General to audit books of organisations that receive public funding in some shape or form when those bodies no longer exist. The Auditor-General has requested that there be an amendment to the Act. It is far reaching in its consequences because no-one in this House would stand idly by if an organisation disappeared, that is, it went bankrupt, changed its name or was absorbed into another body and, because it was no longer identifiable, we could not scrutinise some of the history of that organisation.

An anomaly exists. It has nothing to do with this case. The simple statement from the Solicitor-General is that he does not believe that the current Audit Act gives the Auditor-General the powers that are necessary for him to carry out his responsibilities. I can think of occasions under the last Government when organisations became bankrupt as a result of mismanagement. From looking at the audit powers that exist in the Act today, it is conceivable that, on challenge, the Auditor-General would have no right to scrutinise those organisations. The Solicitor-General has suggested that the Auditor-General's powers need to be strengthened, and it has wide ramifications in whatever the Auditor-General does. No-one in this House could oppose a change that would make it possible for the Auditor-General to carry out his job, so I thank the member for Playford for his support for this matter.

In relation to the wider issue raised by the member for Playford about when the Auditor-General reports, I point out that, because the Auditor-General comments on the year end accounts as to whether they are a true record of the business carried on by an organisation, that can only take place well into the following financial year.

As the member for Playford clearly recognises, because of that situation we have a distance between the bringing down of the budget, the provision of that information and the provision of a large number of annual reports. It was recognised when the changes were made that that was a sacrifice that was being made at the time. It was recognised clearly that that was not as satisfactory as everyone would wish, because everyone would wish all that information to be made available at the time. However, there are swings and roundabouts in this area. The issue of when a report can be scrutinised is not as imperative as getting the budget right to ensure that departments and authorities operating under the budget can do so with some clarity in terms of their budget allocation and that the Government can set the parameters for which it will govern in the forthcoming financial year.

I believe that all departments and authorities have welcomed that we now have what is classed as an early budget. It was the initiative of the Federal Government that made that possible. It has been, I believe, a welcome innovation. Obviously, there is the opportunity—whether it be the Auditor-General's Report, Treasury reports or departmental reports that come in at varying stages throughout the year—for those matters to be canvassed at the time and questions put on notice within Parliament. There should not be seen to be a lack of scrutiny of the budget or a lack of scrutiny of those reports. We recognise there is some loss of value in the system when there is a separation of the two, but we believe the greater value is the delivery of estimates for departments and authorities that clearly set the tone for the way in which they will operate in the forthcoming year. I thank the member for Playford for his support.

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

DEVELOPMENT (MAJOR DEVELOPMENT ASSESSMENT) AMENDMENT BILL

The Hon. E.S. ASHENDEN (Minister for Housing, Urban Development and Local Government Relations) obtained leave and introduced a Bill for an Act to amend the Development Act 1993 and to make related amendments to the Environment Protection Act 1993 and the Statutes Repeal and Amendment (Development) Act 1993. Read a first time.

The Hon. E.S. ASHENDEN: 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.

The *Development Act 1993*, together with the associated *Statutes Repeal and Amendment (Development) Act 1993*, the *Environment, Resources and Development Act 1993* and related regulations came into operation on 15 January 1994 setting in place a new integrated development assessment system.

Last year the Government sought to make a series of important changes to the *Development Act* in order to provide a greater certainty and better outcomes for proponents and the community at large. These changes were included in the *Development (Review) Amendment Bill 1995* which was introduced into Parliament in March 1995.

The Bill followed a two and half month public consultation period on a Development Act Revision discussion paper released by the Government. While some of the provisions of that Bill received support and are now in operation, other key changes relating to Crown joint ventures, Ministerial Call-in to the Development Assessment Commission (DAC) and Major Development assessment procedures were defeated in the Legislative Council.

The Government remains convinced of the strong need for the *Development Act* to be amended in relation to these matters. However, rather than seek to reintroduce the clauses, the Government acknowledges many of the points made and has put together a revised package of amendments taking into account concerns expressed last year. The *Development (Major Development Assessment) Amendment Bill 1996* has been prepared taking into account these factors.

The new Bill has been the subject of a six week public consultation period, which began on 11 March 1996. Copies of the Bill were sent to all councils and a large number of development in-

dustry, environmental and professional organisations. Furthermore, officers of the Department of Housing and Urban Development addressed regional groupings of councils in both Metropolitan and rural areas and met with representatives of key organisations.

Fifty-three written submissions were received on the Bill, including 33 submissions from local government, 10 from private organisations and 10 from State agencies. The submission have generally been of a high standard and we wish to thank those bodies who have taken the time to comment and make constructive suggestion for change. A number of amendments have been made to the Bill as a direct result of the submissions received, especially the submission of the Local Government Association.

This Bill does not alter the basic tenets of the Development Act. Local Government will retain its role as the primary decision maker on development applications. While there will be some increase in Ministerial powers these will not extend to giving the Minister the power to determine an application.

This Bill is about presenting a positive perception to the development industry that South Australia is a State where developers can come and do business without fear of delays caused by bureaucratic red tape and unwarranted court actions.

Major provisions of the Bill to which I draw the attention of the House include the following:

The Bill amends section 30 of the *Development Act* to provide councils with an extra 12 months within which to review the extent to which the Development Plan for their area complements the Planning Strategy. This extension has been introduced in recognition of the fact that councils are currently undertaking a range of investigations associated with council amalgamations.

The Bill enables a council to determine the majority of applications relating to development to be undertaken by the council or undertaken on council land. Under the current provisions of the *Development Act* the Development Assessment Commission is the relevant authority.

The vast majority of council development applications received by the Commission are for small scale developments (eg public toilets, signs) with localised impacts. There is little justification for these types of developments to be determined at the State level. It is considered that such local issues should be assessed by the council within which the development is to be located.

A further problem with the existing provision is the wide interpretation placed on the word 'undertaken' by the courts. Councils are viewed as undertaking development, and therefore unable to assess it, if they lease land to a third party who is seeking to build a structure or change the use of land. For example, an extension to a sports clubroom on a council owned reserve would be treated as council development and assessed by the Commission under the present legislation. Once again this involves the Commission unnecessarily in the assessment of purely local matters.

The rights of neighbours and other third parties to lodge objections and to appeal against such council development will be retained where the application would currently require public notification.

The Bill enables the Minister to call-in from a council, in specified circumstances set out in the Bill, a small number of development applications for determination by the DAC. The three criteria for this call-in are limited to applications where in the opinion of the Minister the proposed development:

(a) raises an important issue of policy that is inadequately addressed in the relevant Development Plan or raises an important issue of policy and the determination of a relevant application for development authorisation will set an important precedent;

(b) would have significant impact beyond the boundaries of the council area in which the relevant land is situated; or

(c) a council has failed to deal with an application within the time period set out in the regulations.

Public notification requirements and third party appeal rights are unaffected by this call-in. The DAC cannot approve applications which are seriously at variance with the relevant Development Plan policies.

The Bill replaces the Major Developments and Projects division of the Act in its entirety with a new division which:

(a) enables the Minister to declare a development or project of major economic, social or environmental significance and/or of State interest for assessment under this division;

(b) provides for three alternative levels of assessment for major developments—i) Environmental Impact Statement (EIS) ii) Public Environmental Report (PER) iii) Development Report (DR)—with the extent of environmental impact assessment reflecting both the degree of information already available and the potential for adverse impacts;

(c) creates a multi disciplinary Advisory Panel Chaired by the Presiding Member of DAC to provide advice to the Minister on the level of assessment required for each application;

(d) sets out clear steps for public consultation and involvement in the process for the three levels of assessment;

(e) gives the Governor the power to determine all major development applications declared by the Minister under this division of the Act (this is the same as the current situation); and

(f) provides new provisions relating to the ongoing testing and monitoring of major developments after they have received approval.

The Bill enables joint ventures between the State agencies and private companies to be assessed as Crown development where public infrastructure is being provided.

A definition of public infrastructure is provided in the Bill. This will ensure that those facilities traditionally provided by the State Government will continue to be assessed under the Crown development procedures.

However, any Crown development that is the subject of an Environmental Impact Statement, Public Environmental Report or Development Report will now be determined by the Governor in accordance with the processes and procedures prescribed by Division 2 of the Act.

A complementary amendment has been made to Section 75 of the Act in order to allow for the possibility of Public Environmental Reports on applications for mining production tenements.

Technical amendments have been made to Section 55, 56 and 84 of the Act and Section 13 and 14 of the *Statutes Repeal and Amendment (Development) Act 1993*.

Complementary amendments have been made to the *Environment Protection Act*. Section 47 of the *Environment Protection Act* has also been amended upon the request of the Environment Protection Authority.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

This clause provides for the short title of the measure.

Clause 2: Commencement

The amendments will come into operation by proclamation.

Clause 3: Amendment of s. 4—Definitions

It is useful to include definitions for an environmental impact statement (EIS), a public environmental report (PER) and a development report (DR). This clause also incorporates into the Act detailed descriptions of the nature of these documents.

Clause 4: Amendment of s. 30—Review of plans by council

It is intended to extend by one year the period within which councils will be required to undertake their first review of Development Plans.

Clause 5: Amendment of s. 34—Determination of relevant authority

These amendments relate to the determination of the relevant authority for the assessment of a development proposal under the Act. It is proposed that a council will be able to act as a relevant authority even if it is to undertake some or all of a development itself (see section 4 of the Act for the definition of 'to undertake development'), subject to exceptions prescribed by the regulations. It is also proposed to empower the Minister to be able to refer a development proposal to the Development Assessment Commission if the Minister considers that the development raises an important issue of policy that is inadequately addressed by the Development Plan, that the determination of the application will set an important precedent, or that the proposed development will have an impact beyond the council area, or if the relevant council has failed to consider a relevant application within the time periods prescribed under the Act. In such a situation the relevant council will have the opportunity to provide a report to the Development Assessment Commission within a period of time prescribed by regulation.

Clause 6: Substitution of Division 2 of Part 4

This clause provides for the enactment of a new Division 2 of Part 4 relating to the assessment of major developments or projects. New section 46 will allow the Minister to apply these provisions to a development or project of major environmental, social or economic importance, or State interest. A declaration by the Minister will result in a development or project being assessed under this Division (not Division 1 of the Act) and, in the case of a development, subject to the requirement to obtain the approval of the Governor if it is to

proceed. The development or project will also be subject to scrutiny through an EIS PER or DR process (although the DR process will only apply to developments). The Minister will decide which process should apply, although he or she will not be able to decide on a process other than an EIS unless the Minister has first referred the matter to a special Advisory Panel for advice. If the Minister decides to act in a manner that is inconsistent with the advice of the Advisory Panel, then the Minister will be required to table a report on the matter in both Houses of Parliament. New Section 46A makes specific provision for the constitution of the Advisory Panel. New section 46B sets out detailed provisions relevant to the preparation and consideration of an EIS. The EIS will be prepared in accordance with guidelines determined by the Minister. The EIS will include detailed statements on various matters. Extensive consultation will occur. An Assessment Report will then be prepared by the Minister. Copies of these documents must be publicly available. New section 46C sets out detailed provisions relevant to the preparation and consideration of a PER. The scheme is very close to the scheme for an EIS. New section 46D sets out detailed provisions relevant to the preparation and consideration of a DR. The DR will need to address various matters similar to an EIS or PER. An Assessment Report will also be required. Under new section 47, an EIS, PER, DR, and relevant Assessment Report, may be amended in various circumstances, subject to the requirement for public consultation if an amendment would, in the opinion of the Minister, significantly affect the substance of the EIS, PER or DR. New section 48 retains the scheme under which the Governor's consent is required before a development that is subject to the operation of this Division can proceed. The provision will now also apply if a direction is given by the Minister under section 49 that a 'Crown development' should be the subject of an EIS, PER or DR. New section 48A will allow the Governor, by notice in the *Gazette*, to declare that a development or project (or a part or stage of a development or project) will no longer fall within the ambit of this Division. New section 48B will empower the Minister to require testing, monitoring and audit programs relevant to the operation of a development or project. New section 48C will enable the Minister to recover various administrative and other related costs under this Division. New section 48D will protect the processes and procedures under this Division from judicial review.

Clause 7: Amendment of s. 49—Crown development

These amendments revise the circumstances where a development proposed by a State agency will be subject to assessment under section 49 of the Act. The amendments will also enable the Minister to require the preparation of an EIS, PER or DR (in which case the relevant development will not be able to proceed without the consent of the Governor under Division 2).

Clause 8: Amendment of s. 55—Removal of work if development not substantially completed

Clause 9: Amendment of s. 56—Completion of work

These clauses make technical amendments to enable the Minister to apply the relevant sections of the Act to developments approved under Division 2.

Clause 10: Amendment of s. 75—Applications for mining production tenements to be referred in certain cases to the Minister.

The Minister will be able to require the preparation of a public environmental report in relation to a proposal to grant a mining tenement under a *Mining Act*. However, the Minister will only be able to do so if the environmental impact assessment procedures under the relevant *Mining Act* are not considered to be equivalent (or superior) to the outcome that can be achieved with a PER, and if agreement cannot be reached in a particular case then the matter must be referred to the Governor.

Clause 11: Amendment of s. 84—Enforcement notices

This clause corrects a technical error in section 84 of the Act.

Clause 12: Amendment of the Environment Protection Act 1993

It is appropriate that the *Environment Protection Act 1993* recognise public environmental reports under the *Development Act 1993* in a manner similar to EISs. It is also intended to make specific provision to the effect that the Authority will defer consideration of an application under the Act until a related development application has been dealt with under the *Development Act 1993*.

Clause 13: Amendment of Statutes Repeal and Amendment (Development) Act 1993

These amendments clarify the status and effect of EISs officially recognised under the *Planning Act 1982* for the purposes of the *Development Act 1993*, and related Assessment Reports.

Clause 14: Transitional provision

This provision preserves the effect of a Governor's declaration under the relevant legislation.

Mr CLARKE secured the adjournment of the debate.

DE FACTO RELATIONSHIPS BILL

Second reading.

The Hon. S.J. BAKER (Deputy Premier): 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.

This Bill reforms the law relating to the resolution of property disputes on the breakdown of a de facto relationship.

Currently, on the breakdown of a de facto relationship, the parties must rely on the general principles of common law and equity. At common law the courts cannot vary the property rights. If property is held in the name of one of the partners to a de facto relationship, the common law would not recognise the claim of the other partner. The courts have modified the common law approach through the development of the law of trusts. A trust exists where one person holds property on behalf of another. A trust can arise from an express agreement or it can be implied from the words or actions of the parties.

A constructive trust is an equitable remedy imposed by the courts on the basis that refusal to recognise the existence of a person's interest in property would amount to unconscionable conduct. The trust is imposed as a means of circumventing the unconscionable conduct. The courts have used constructive trusts to adjust property interests on the breakdown of de facto relationships to take account of the contributions of both parties to the acquisition of property. This approach can lead to uncertainty. For example, courts have recognised the contribution of partners who have worked on building or renovating a house but in other cases have not recognised indirect contributions such as services as a homemaker or parent.

De facto spouses already have limited rights under certain legislation in South Australia. The concept of "putative spouse" is created by section 11 of the *Family Relationships Act*, 1975. A putative spouse is a person who, at the relevant time, cohabits with another as the husband or wife de facto of the other person and has cohabited continuously for a period of 5 years or has during the period of 6 years immediately preceding that date cohabited for a period of not less than 5 years. Alternatively, the relationship of putative spouse arises where a couple is cohabiting as husband and wife and they have had a child.

The *Family Relationships Act* does not confer any rights or obligations on putative spouses. However provision is made in some statutes to confer rights on putative spouses. For example the *Administration and Probate Act 1919* provides that a putative spouse is entitled to a share in the intestate estate of deceased spouse in the same manner as a de jure spouse. Under the *Inheritance (Family Provisions) Act* a putative spouse can claim in certain circumstances against the estate of the deceased person where the putative spouse has not been left with adequate provision for his or her proper maintenance, education or advancement in life.

In 1992, 8.3 per cent of couples in SA were de facto couples. The Government is concerned that de facto couples often face greater difficulty, higher costs and longer delays than married couples in resolving disputes on the breakdown of their relationships. Given the number of couples who do not marry, the Government considers that the law should provide a fair and equitable system to resolve property disputes that may arise when a defacto relationship ends. This is not a judgment about the morality of de facto relationships. It is a recognition that there are de facto relationships and that partners presently do not have easy access to the courts to resolve disputes about property.

New South Wales, Victoria, and the Northern Territory have provisions for the adjustment of property rights on the breakdown of a de facto relationship, while the Australian Capital Territory legislation covers domestic relationships including de facto relationships. Western Australia has also announced an intention to legislate in this area.

There are a number of common features in the legislation. Each Act requires that a de facto relationship last for a certain period before a court can make an order adjusting property rights. The Acts

include exceptions to the time requirement for example where there is a child of the parties. The interstate legislation allows courts to make adjustments to property interests where it would be just and equitable to do so. In so doing courts can take into account a number of matters relating to direct and non-direct and financial and non-financial contributions to property, including parenting and homemaker contributions. Some jurisdictions also make provision for the recognition of agreements covering financial issues arising during, and on termination of, a de facto relationship.

This Bill will reform the law in this State relating to the resolution of property disputes on the breakdown of a de facto relationship. A de facto relationship is defined in Clause 3 of the Bill.

For the purposes of the Bill, "court" is defined to mean the Supreme Court, the District Court and, if an application relates to property valued at $60 000 or less, the Magistrates Court. It is expected that the courts will deal with disputes in accordance with their normal jurisdictional limits. The Magistrates Court exercises different jurisdictional limits depending on the type of action. The Bill sets the jurisdictional limit for the Magistrates Court at $60 000; *ie*, the same limit applicable to actions in that Court arising from motor vehicle accidents and actions to obtain or recover title to, or possession of real or personal property.

Clause 5 of the Bill provides for de facto partners to make cohabitation agreements about the division of property on the termination of a de facto relationship or about other matters related to a de facto relationship. Such an agreement must be in writing and signed by both partners. The legislation allows for the agreement to be a certificated agreement if the agreement is signed by each party attested by a lawyer's certificate and the certificates are given by different lawyers. A court cannot set aside or vary an agreement where the agreement provides for the exclusion of the court's power and the agreement is a certificated agreement.

The Bill provides for a de facto partner to apply to the court for a division of property and sets out the circumstances in which an application can be made namely, where—

- the applicant or respondent is resident in the State when the application is made;
- the de facto partners were resident in the State for the whole or a substantial part of the period of the relationship and
- the de facto relationship lasted for at least three years or there is a child of the de facto partners.

An application must be made within a year of the end of the de facto relationship.

The Bill provides that a court may make orders it considers necessary to divide the property of de facto partners in a just and equitable way. When making its decision the court can take into account the parenting and homemaker contributions made by a de facto partner. This enables an adjustment of property rights to reflect a fair and equitable distribution rather than strict definition of who brought the asset into a relationship. The court must also have regard to the terms of any cohabitation agreement.

The Bill places a duty on the court to resolve, as far as practicable, questions about the division of property between de facto partners.

This Bill is an important measure in providing for equity and fairness on the breakdown of a de facto relationship.

I indicate that the Government will be moving amendments to the Bill as a consequence of amendments passed in another place.

I commend this Bill to Honourable Members.

Explanation of Clauses

The provisions of the Bill are as follows:

PART 1—PRELIMINARY

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Definitions

This clause contains the definitions required for the purposes of the new Act.

Clause 4: Application of this Act

The new Act will not apply in relation to a de facto relationship that ended before the commencement of the new Act.

PART 2—COHABITATION AGREEMENTS

Clause 5: Cohabitation agreements

De facto partners are empowered by this clause to make an agreement about the division of property on termination of the relationship and other financial matters related to the relationship.

Clause 6: Cohabitation agreement enforceable under law of contract

A cohabitation agreement is subject to, and enforceable under, the law of contract.

Clause 7: Consensual variation or revocation of cohabitation agreement

A cohabitation agreement may be varied or revoked by a written agreement. If a cohabitation agreement is a certificated agreement, it may only be varied by a certificated agreement.

Clause 8: Power to set aside or vary cohabitation agreement

If a court is satisfied that the enforcement of a cohabitation agreement would result in serious injustice, the court may set aside or vary the agreement. However, this power cannot be exercised if the court's jurisdiction is excluded under the terms of the agreement and the agreement is a certificated agreement.

PART 3—ADJUSTMENT OF PROPERTY INTERESTS

Clause 9: Property adjustment order

After a de facto relationship ends, either of the de facto partners may apply to a court for the division of property. The preconditions for the exercise of this jurisdiction are that (a) the applicant or respondent must be resident in the State when the application is made; (b) the de facto partners were resident in the State for the whole or a substantial part of the period of the relationship; and (c) the de facto relationship continued for a least 3 years or there is a child of the de facto partners. An application for the division of property may be made or continued by or against the legal personal representative of a deceased de facto partner if it relates to property that is undistributed at the date of the application.

Clause 10: Power to make orders for division of property

This clause sets out the powers of the court on an application for the division of property.

Clause 11: Matters for consideration by the court

This clause sets out the matters that are to be taken into account by the court in deciding whether to make an order for the division of property and, if so, on what terms.

Clause 12: Duty of court to resolve all outstanding questions

This clause directs the court to resolve (as far as practicable) all outstanding questions between the partners about the division of property—thus avoiding further proceedings on these questions.

Clause 13: Small claims

If the aggregate amount claimed by the applicant on an application is $5 000 or less, the application is a minor statutory proceeding *(see s. 3(1) of the Magistrates Court Act 1991)*.

PART 4—MISCELLANEOUS

Clause 14: Transactions to defeat claims

If a court is satisfied that a transaction has been entered into to defeat, or has the effect of defeating, an order, or an anticipated order, for the division of property, the court may set aside the transaction and give consequential orders and directions. The court may also grant injunctions to restrain anticipated transactions to defeat an order or an anticipated order for the division of property. In exercising its powers under this proposed section, the court must have regard to all interests in the property to which the proceedings relate.

Clause 15: Protection of purchaser in good faith, for value and without notice of claim

This clause protects the interests of a person who acquires an interest in property in good faith and for value without notice that the property may be the subject of an application under the new Act.

Clause 16: Non-exclusivity of remedies

This clause provides that the new Act is not intended to operate to the exclusion of other possible remedies.

Clause 17: Regulations

This is a general regulation-making power.

Mr CLARKE secured the adjournment of the debate.

FISHERIES (PROTECTION OF FISH FARMS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 10 April. Page 1426.)

Mr CLARKE (Deputy Leader of the Opposition): I am pleased to see that the Minister for Primary Industries is about to join us. The Opposition supports the Bill, having undertaken extensive consultation in this area—or, more particularly, our shadow Minister, who, as members know, resides in another place. The honourable member has

consulted with just about every possible person who may be affected by this piece of legislation and, no doubt, the tuna themselves.

We wish to make a few comments on the content of the Bill. We would like the Minister to answer a few questions in relation to whether or not the problems that this Bill seeks to address could simply have been addressed by one minor amendment to the Fisheries Act. The Opposition is aware of the rapid growth of the aquaculture industry in South Australia and is pleased that an industry that the Bannon and Arnold Governments fostered in its infancy is now growing to full strength.

The Opposition is also aware of reported problems, particularly in the tuna farming industry, with the recent losses of large stocks due to weather conditions and farming practices, and previous losses of stocks that have been reported in the media as being due to theft. The Minister in his second reading contribution stated that the industry's concern about theft from aquaculture sites was the motivating factor in the introduction of this Bill. The Minister noted that the Fisheries Act currently fails to make provision for an offence of theft from an aquaculture site because the current offence of interfering with a lawful fishing activity covers only the taking of fish, not the farming of fish. One might ask why the Minister did not simply amend section 5 of the Fisheries Act by including a new interpretation of fishing activity to include the farming of fish. I say this because the Bill we have before us seems to go overboard by placing into the Fisheries Act a new section which replicates much of sections 17A and 41 of the Summary Offences Act.

It appears to the Opposition that problems with trespass and theft are well covered by the Summary Offences Act under sections 17A and 41 and that any problems with trespass and theft being encountered by the industry could be addressed by the police prosecuting offenders using the current legislation. I note that the penalties applying under proposed section 53A of the Fisheries Act are identical to those currently existing under the relevant sections of the Summary Offences Act. Therefore, I would be pleased if the Minister could indicate whether there have been any attempts at prosecution for trespass or theft from aquaculture enterprises under the Summary Offences Act and, if not, why not and, if there have been any prosecutions, what has been the outcome? If it is at all possible, I would appreciate the Minister perhaps in his reply to the second reading debate answering those questions, and that might avoid the House going into Committee.

It seems to the Opposition that the tools are there to attack this problem and that perhaps these tools have not been used to their fullest. I would also be pleased if the Minister could indicate the level of the problem with which we are dealing. Are we using a sledgehammer to crack a nut? It seems unusual to bring into Parliament a whole new range of offences and penalties without having any idea of the extent of the problem with which we are trying to deal. Finally, the Opposition is aware that the inclusion of this new section in the Fisheries Act will widen the net, so to speak, in relation to who can police acts of theft or trespass within the aquaculture industry to include the South Australian Police and authorised fisheries officers. This is probably the real reason for this Bill, although it is unstated in the Minister's second reading explanation. In conclusion, we support the Bill but will be pleased to receive a response from the Minister in regard to the questions that I outlined earlier.

Mrs PENFOLD (Flinders): The tuna farms have recently had their problems with significant deaths of tuna over past weeks. However, the farming of southern blue fin tuna in Port Lincoln waters must still be considered to be past its infancy and must now be classed as more than a developing industry. From 20 tonnes of tuna in 1991, the industry previously expected to produce 3 200 tonnes—worth around $90 million—this year and employ directly 400 people with an additional 600 to 700 people in associated industries. The Government has, as a result of negotiations, introduced a mechanism to protect these fish farms from one of the very basic problems of modern society, that is, theft. Many claims have been made relating to the value of these thefts, and they range on a scale, depending on who is making the claims.

However, what is very clear to all is that theft is an issue that must be solved. Obvious to all who know the industry is the damage caused by those attempting to poach fish from their cages. Photographs have been taken showing farmed tuna with huge pieces of flesh missing as a result of an attack by unknown persons using a gaff. One farm operator claimed that his divers had discovered a gaff on the bottom of a tuna cage. This had clearly been dropped by someone up to mischief. Not only is the attack on fish damaging but the unexpected flashing of lights at night causes tuna to spook, resulting in death and stress, causing poor growth rates. The operators attempted to minimise these problems by seeking police assistance and hiring security guards. In fact, many farms now have security officers who watch the farms throughout the night.

However, legislation and a legal framework were needed to properly help to protect the fish. This legislation means that fish farmers and those farming in other aquaculture industries, such as oysters, will now have some legal protection against trespassers. A person will commit an offence if that person enters the marked off area of a fish farm and, having been asked to leave by an authorised person, fails to give a reasonable excuse or fails to leave. The offence will be punishable by a maximum penalty of $2 000 or six months imprisonment. Although the introduction of legislation to minimise theft has been raised by the tuna operators, other marine fish farm operators, such as oyster, mussel and fin fish operators, will face a similar problem.

Therefore, these amendments to the Fisheries Act should and do encompass all marine farming activities. They should address the current concerns of those in the aquaculture industry by providing a measure that will assist to minimise theft of fish from aquaculture operations.

The Hon. R.G. KERIN (Minister for Primary Industries): I thank the Deputy Leader of the Opposition and the member for Flinders for their contributions. To save going into Committee, I will attempt to answer the questions posed by the Opposition. First, section 5 cannot accommodate theft from aquaculture sites as the leases are actually issued under section 53. That leaves us with a problem, and that should answer the first question. After much advice was taken, it was the consensus of legal advice from the Attorney-General's office, the Crown Solicitor's Office and Parliamentary Counsel that the Act needed to be amended as presented in this Bill. It was the consensus that there was no easy way out but that we had to go about it in this way.

As to the level of the problem, there have been many reports, and I think the honourable member will find that many of the reports we heard were from the tuna industry. But the problem is not restricted to the tuna industry: it

prevails in the oyster industry and, no doubt, will be encountered by other aquaculture industries as they come on line. I have personally discussed this matter with industry and, apart from anecdotal evidence, I was talking to some of the divers who had actually found equipment lying alongside cages. They had found filleted fish and skeletons in the water alongside cages, and there was quite a bit of evidence of a large level of theft. This is backed up by the fact that they themselves have been willing to pay security guards to keep a watchful eye on their fish at night.

This Bill is about obtaining some certainty for investors. We have heard particularly about the tuna problem, but there are periodic thefts from oyster leases. For those people, working on reasonably low margins, theft can change the whole result at the end of the year. We must give investors in this growing industry more certainty. I appreciate the concerns of the Deputy Leader of the Opposition, but it was decided after much discussion and consultation that this was the only way in which we could achieve that. The actual instruction came from the South Australian Development Council's review of aquaculture, which reported to Cabinet, and Cabinet instructed that the change to the legislation be made to give some certainty to investors in aquaculture. The other question raised was about the powers of policing this measure. Basically, there is no great change in that regard, because all police officers are *ex officio* fisheries officers anyway.

I thank members for their contributions. I am sure that this Bill will provide much more certainty for these people who are putting up their money to create what still, apart from a recent setback, promises to be a very important industry for the development of this State. I look forward to that industry's going ahead, with some support from this Bill.

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

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) BILL

The Hon. J.W. OLSEN (Minister for Infrastructure) obtained leave and introduced a Bill for an Act to make provision for the operation of a national electricity market and for other purposes. Read a first time.

The Hon. J.W. OLSEN: I move:

That this Bill be now read a second time.

The National Electricity (South Australia) Bill heralds a new era for competitive trading and regulation of the generation, transmission, distribution and supply of electricity in south-eastern Australia. The plans for developing a coordinated electricity grid spanning the Eastern States have been in the making since the Special Premiers' Conferences of October 1990 and July 1991. These conferences led to the formation of the National Grade Management Council and subsequently to the publication of a discussion paper in October 1993 which recommended a range of regulatory arrangements for the national electricity grid consistent with reforms of competition policy. The Council of Australian Governments agreed to these recommendations in February 1994. On 9 May 1996 Ministers representing New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory signed a series of inter-government agreements to give effect to these recommendations.

The regulatory arrangements for the national electricity market will principally consist of a uniform National Electricity Law and National Electricity Code applying in each participating jurisdiction. The National Electricity Law will be enabled by application of laws legislation in each participating jurisdiction and the National Electricity Code will be effective pursuant to the National Electricity Law.

Because of the nature of the market arrangements under the code care needs to be taken to prevent anti-competitive practices or processes. Accordingly, the Australian Competition and Consumer Commission will be requested to authorise the National Electricity Code in relation to Part IV of the Trade Practices Act of the Commonwealth. The code will also be lodged with the Commission as an access undertaking in relation to Part IIIA of the Trade Practices Act.

The code will be a living document subject to some degree of change. It may require amendment to accommodate requirements of the Australian Competition and Consumer Commission made in the course of the authorisation process under the Trade Practices Act. It will inevitably require changes as market practices evolve over time. The code as currently drafted (which will be tabled in this place) remains subject to further technical drafting changes and to signing-off by Ministers in the relevant jurisdictions as set out in the Intergovernmental Agreement on the National Electricity Market Legislation. Updated versions of the code will be tabled in Parliament when they become available.

South Australia vigorously pursued and won the role of lead legislator. As such, South Australia is responsible for enacting the National Electricity Law as a schedule to this Bill. The National Electricity Law will be incorporated into the law of South Australia by clause 6 of this Bill. New South Wales, Victoria, Queensland and the Australian Capital Territory will enact legislation similar to Part 2 of this Bill which will have the effect of applying the National Electricity Law, as in force from time to time, as part of the law of their jurisdictions. This will ensure the consistent application of the National Electricity Law and amendments to it in each jurisdiction.

All States and Territories that are electrically interconnected now, or can be interconnected within the foreseeable future, will be able to participate in the national electricity market. Currently the transmission networks of New South Wales, Victoria, South Australia and the Australian Capital Territory are interconnected. Queensland and Tasmania may become connected to the existing grid in the foreseeable future. Western Australia and the Northern Territory will not participate in the national electricity market because the long transmission distances involved make efficient interconnection difficult.

When established, the national electricity market will be a competitive wholesale electricity market comprising a comprehensive and integrated set of wholesale trading arrangements applying in the participating jurisdictions. It will enable electricity produced by generators to be traded through a common electricity pool serving the interconnected States and Territory. The dispatch of electricity from generators with an output greater than 30MW will be co-ordinated by a newly formed national organisation established by the participating jurisdictions, National Electricity Market Management Company Limited (NEMMCO), under a multi-State system control process.

Contestable customers, determined according to processes adopted by individual participating jurisdictions, will be able to choose to purchase in the wholesale market or in the retail market from a retailer or trader. Contestable customers purchasing in the wholesale market will be able to enter into

financial hedging arrangements with any counterparty, including generators, retailers and traders. A pool settlement function will have the capacity to handle spot market forward trading within the wholesale pool.

This Bill also empowers the Governor of South Australia to make regulations with respect to any matter necessary to give effect to the National Electricity Law but only on the recommendation of the Ministers of the participating jurisdictions. Certain regulations of a machinery nature may be made on the recommendation of a majority of the Ministers.

A National Electricity Tribunal will be established by this Bill, as a statutory tribunal of South Australia, with two principal functions. The first will be to review the decisions of the two bodies which administer the National Electricity Law and the National Electricity Code, namely, NEMMCO and the other national organisation, also established by the participating jurisdictions, the National Electricity Code Administrator Limited (NECA). The other principal function will be to order sanctions for breaches of the National Electricity Code on application by NECA. The Bill makes it clear that NECA and NEMMCO and any body when acting as an agent of NECA or NEMMCO under the National Electricity Code will not be subject to South Australia's Freedom of Information Act.

The National Electricity Law set out in the schedule to the Bill provides that the States of New South Wales, Victoria, Queensland and South Australia together with the Australian Capital Territory will be the initial participating jurisdictions for the purposes of the National Electricity Law. Any of those jurisdictions other than South Australia will, however, cease to be a participating jurisdiction if it does not enact and bring into force a law corresponding to Part 2 of the Bill within two years after enactment of the Bill or if it repeals such a law. The law also provides for a non-participating jurisdiction to become a participant by undertaking to be bound by the terms of the agreement entered into with all participating jurisdictions and by enacting and bringing into effect legislation corresponding to Part 2 of this Bill.

Part 2 of the National Electricity Law provides for the approval by Ministers of each participating jurisdiction of a National Electricity Code as the code for the purpose of the National Electricity Law. The code will define the terms of participation in the national electricity market for generators, transmission and distribution network owners, service providers, system operators, retailers, other market participants and customers. Specific National Electricity Code chapters will deal with connection and access arrangements to networks, rules for the operation of the wholesale electricity market, the provision of network services, metering, the security of the interconnected power system and the administration of the National Electricity Code itself through enforcement, dispute resolution and a process to change the National Electricity Code. This part also provides for NECA to make available copies of the National Electricity Code to assist participants and others to gain access to the code and changes to the code.

Part 3 of the National Electricity Law regulates relevant activities in the national electricity market. The activities regulated will be the ownership, control or operation of generation systems and transmission or distribution systems, the administration or operation of a wholesale market for electricity by a person other than NECA or NEMMCO and the purchase of electricity from a wholesale market. A person will only be able to engage in such an activity if the person is registered or authorised by NEMMCO to do so or is exempt from the requirement to be registered or authorised.

Part 4 of the National Electricity Law contains provisions governing enforcement of the National Electricity Code.

Part 5 of the National Electricity Law creates a scheme for the review by the Tribunal of decisions of NEMMCO and NECA and describes the Tribunal's jurisdiction and powers to deal with breaches of the code and the procedures to be followed in proceedings before the Tribunal. It also describes the way in which members of the Tribunal will be appointed and the terms of their appointment.

Part 6 of the National Electricity Law provides for the creation of statutory funds by NECA and NEMMCO.

Finally, part 7 of the National Electricity Law provides for the issue of search warrants in limited circumstances and for NEMMCO to have certain powers of intervention in respect of the power system for reasons of public safety or security of the electricity system. A provision of this Part also creates a rule to apply uniformly in the participating jurisdictions governing liability for failures of electricity supply. Under the provision, a Code participant will not be liable for failure to supply electricity unless the failure is due to an act or omission by the code participant in bad faith or the negligence of the code participant. This rule may be modified by contract. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

PART 1—PRELIMINARY

Clause 1 is formal.

Clause 2 is a commencement provision.

Clause 3 contains a number of definitions for the purposes of the measure.

Clause 4 provides that the measure, the *National Electricity (South Australia) Law* and the *National Electricity (South Australia) Regulations* are to bind the Crown.

Clause 5 provides for the extra-territorial effect of the measure, the *National Electricity (South Australia) Law* and the *National Electricity (South Australia) Regulations.*

PART 2—NATIONAL ELECTRICITY (SOUTH AUSTRALIA) LAW AND NATIONAL ELECTRICITY (SOUTH AUSTRALIA) REGULATIONS

Clause 6 applies the National Electricity Law set out in the schedule as a law of South Australia. The clause also provides that the Law as so applying may be referred as the *National Electricity (South Australia) Law*.

Clause 7 provides that the regulations in force under Part 4 apply as regulations in force for the purposes of the *National Electricity (South Australia) Law* and, as so applying, may be referred to as the *National Electricity (South Australia) Regulations*.

Clause 8 contains a number of definitions for the purposes of the *National Electricity (South Australia) Law* and the *National Electricity (South Australia) Regulations*.

PART 3—ESTABLISHMENT OF NATIONAL ELECTRICITY TRIBUNAL

Clause 9 establishes the National Electricity Tribunal.

PART 4—POWER TO MAKE REGULATIONS UNDER NATIONAL ELECTRICITY LAW

Clause 10 is an interpretation provision for the purposes of Part 4.

Clause 11 enables the Governor to make regulations to give effect to the National Electricity Law on the unanimous recommendation of the Ministers of the participating jurisdictions. Regulations relating to the matters specified in clause 12 may, however, be made on the recommendation of the majority of the Ministers of the participating jurisdictions. In view of the interstate application of laws scheme for this legislation, Parliamentary disallowance of the regulations is excluded.

Clause 12 specifies as subject matters for the regulations arrangements for making the National Electricity Code publicly available and matters relating to the Tribunal under Part 5.

Clause 13 deals with civil penalties for breaches of the National Electricity Code. Under the clause regulations may prescribe provisions of the code as Class A, Class B or Class C provisions. A

Class A provision will be a provision in respect of which a civil penalty, not exceeding $20 000, may be demanded by NECA in the event of a breach of the provision. A Class B provision will be a provision for a breach of which the Tribunal may impose a civil penalty not exceeding $50 000 and $10 000 for each day that the breach continues. A Class C provision will be a provision for a breach of which the Tribunal may impose a civil penalty not exceeding $100 000 and $10 000 for each day that the breach continues.

PART 5—GENERAL

Clause 14 provides that NECA and NEMMCO and an agent of NECA or NEMMCO (with respect to functions performed under the code) will be exempt agencies for the purposes of the *Freedom of Information Act 1990*.

SCHEDULE

National Electricity Law

PART 1—PRELIMINARY

Clause 1 states that the Law may be cited as the *National Electricity Law.*

Clause 2 states that the Law is to commence in accordance with provision under the *National Electricity (South Australia) Act 1996.*

Clause 3 contains the principal definitions of words and expressions used in the Law.

Clause 4 states that Schedule 1 contains miscellaneous provisions relating to interpretation of the Law.

Clause 5 sets out the States that are taken to be participating jurisdictions for the purpose of the Law and the circumstances in which another jurisdiction may become a participating jurisdiction or a participating jurisdiction will cease to be a participating jurisdiction.

PART 2—NATIONAL ELECTRICITY CODE

Clause 6 provides for approval of the initial National Electricity Code by the Ministers of the participating jurisdictions, and for notice to be given of that approval and of any amendment of the code. The clause also contains evidentiary provisions as to the contents and making of amendments of the code.

Clause 7 provides that certain provisions of the code are to prevail in the event of inconsistency with other provisions of the code and that those provisions may not be amended without unanimous approval of the Ministers of all the participating jurisdictions.

Clause 8 sets out the requirements for availability of the code.

PART 3—REGISTRATION WITH NEMMCO

Clause 9 requires any person owning, controlling or operating a transmission or distribution system for supply of electricity to wholesale or retail customers that is connected to another such system to be registered by NEMMCO in accordance with the code unless that person is the subject of a derogation or otherwise exempt under the code from the requirement to be registered.

Similarly, any person owning, controlling or operating a generation system that supplies electricity to such a transmission or distribution system will be required to be registered by NEMMCO unless subject to such a derogation.

A person other than NECA or NEMMCO will be required to obtain authorisation under the code in order to administer or operate a wholesale market for the dispatch of electricity generating units or loads.

A person will also be required to be registered with NEMMCO in order to purchase electricity from the wholesale market for the dispatch of electricity generating units or loads unless that person is the subject of a derogation or otherwise exempt under the code from the requirement to be registered.

A breach of this provision is to attract a maximum penalty of $100 000 and $10 000 for each day that the offence continues.

PART 4—PROCEEDINGS AND CIVIL PENALTIES

Clause 10 prohibits proceedings from being brought against a person to whom the code applies in respect of an alleged contravention of the code unless the Law or the code recognises that the contravention gives rise to an obligation or liability to the person bringing the proceedings. NECA may, however, bring proceedings against Code participants for any alleged contraventions of the code.

In proceedings alleged contraventions of the code may only be relied on by NECA, or by a Code participant in relation to another Code participant.

Clause 11 enables NECA to demand, by notice in writing, the civil penalty prescribed by regulation for a breach of a Class A provision of the code. If a penalty so demanded is not paid within 28 days and no application is made for review of NECA's decision to demand the penalty, NECA may apply to the Tribunal under Part 5 for an order for payment of the penalty.

Clause 12 provides that NECA may apply to the Tribunal for an order under Part 5 if NECA considers a Code participant to be in breach of a provision of the code.

Clause 13 requires civil penalties paid to NECA to be paid into the civil penalties fund established by NECA under Part 6.

Clause 14 provides that an order of the Tribunal for payment of a civil penalty may be registered and enforced in a court with jurisdiction for recovery of debts up to the amount of the penalty.

Clause 15 provides that an amount due by a Code participant to another Code participant which is not paid within 28 days after it is due in accordance with the code may be recovered in a court of competent jurisdiction.

PART 5—NATIONAL ELECTRICITY TRIBUNAL

DIVISION 1—TRIBUNAL

Clause 16 provides that the Tribunal is the National Electricity Tribunal to be established under Part 3 of the *National Electricity (South Australia) Act 1996* and that the Tribunal has the functions and powers conferred on it under the national electricity legislation.

Clause 17 provides that the functions of the Tribunal are—

- to review decisions of NECA under clause 11 and decisions of NECA or NEMMCO that are, under the national electricity legislation or the code, reviewable decisions;
- to hear and determine applications to the Tribunal by NECA alleging breaches of the code by code participants.

The clause spells out that a decision of NECA not to bring proceedings in respect of a Code breach will not be reviewable.

Clause 18 provides for the composition of the Tribunal.

Clause 19 provides for appointments to the Tribunal to be made by the Governor of South Australia on the recommendation of a majority of the Ministers of the participating jurisdictions. Appointments are to be made on a part-time basis.

Clause 20 provides that the chairperson or a deputy chairperson of the Tribunal is to be a practitioner of the High Court or a Supreme Court of not less than five years' standing.

Clause 21 provides for the terms and conditions of appointment of a member of the Tribunal.

Clause 22 provides for the resignation and termination of the appointment of a member of the Tribunal.

Clause 23 provides for the appointment of an acting chairperson of the Tribunal and the terms and conditions of such an appointment.

Clause 24 requires the disclosure of conflicts of interest by the members of the Tribunal and provides for the non-participation of members in proceedings in which they are interested.

DIVISION 2—PROCEEDINGS BEFORE TRIBUNAL

Clause 25 enables the chairperson of the Tribunal to give directions as to the constitution of the Tribunal and the arrangement of the business of the Tribunal for particular proceedings.

Clause 26 requires the Tribunal to be constituted by the chairperson or a deputy chairperson or 2 or 3 members at least one of whom is the chairperson or a deputy chairperson.

Clause 27 deals with the situation in which a member ceases to be available for the hearing of a proceeding during the course of that hearing.

Clause 28 states that sittings of the Tribunal may be held at any place in a State or Territory that is a participating jurisdiction.

Clause 29 specifies the persons who will be parties to a proceeding before the Tribunal.

Clause 30 enables the Tribunal to decide whether the interests of a person are affected by a decision of NECA or NEMMCO and hence whether the person should be joined as a party to a proceeding for review of the decision.

Clause 31 enables a person to be represented before the Tribunal by some other person who need not be a legal practitioner.

Clause 32 provides for the Tribunal to follow an informal procedure in its proceedings and enables procedural directions to be given.

Clause 33 enables the chairperson of the Tribunal to direct the parties to a proceeding for the review of a decision to hold a conference. If agreement is reached by the parties at the conference, the Tribunal may make a decision in accordance with that agreement.

Clause 34 requires the proceedings of the Tribunal to be held in public. The Tribunal may, in appropriate circumstances, prohibit or restrict the publication or disclosure of evidence given before the Tribunal.

Clause 35 requires the Tribunal to give every party to a proceeding a reasonable opportunity to present its case, inspect relevant documents and make submissions in relation to those documents.

Clause 36 sets out the particular powers of the Tribunal for the purpose of a proceeding such as power to take evidence on oath or affirmation, to proceed in the absence of a party, to adjourn proceedings and to issue summonses.

Clause 37 enables the Tribunal to make an order staying or otherwise affecting the operation or implementation of a decision to which the proceeding before the Tribunal relates.

Clause 38 sets out the way in which questions arising in proceedings before the Tribunal are to be decided, that is, by majority opinion with questions of law being decided by the person presiding in the proceeding or by the chairperson.

Clause 39 enables the Tribunal, in a proceeding on an application for review of a decision, to dismiss the application if the applicant fails to appear at a conference or a hearing of the proceeding or to strike out a party who fails to appear at a conference or a hearing.

Clause 40 gives the Tribunal the power to do all things necessary for the hearing and determination of a proceeding.

Clause 41 sets out the powers that may be exercised by the Tribunal for the purpose of reviewing a decision. It also provides that decisions of the Tribunal are to be in writing and when they come into effect.

Clause 42 requires the Tribunal to give written reasons for a decision made by it.

Clause 43 provides that a person whose interests are affected by a reviewable decision may apply to the Tribunal for review of the decision, and sets out the time frame for making such an application.

Clause 434 sets out the orders that the Tribunal may make where NECA applies to the Tribunal alleging a breach of the code by a Code participant. The orders include orders imposing civil penalties up to the levels described in the note relating to clause 13 of the Bill, orders of an injunctive nature and orders suspending the registration of code participants or other rights of code participants under the code.

Clause 45 empowers the Tribunal to order a Code participant to pay an unpaid amount demanded by NECA as a civil penalty. The clause makes it clear that any enquiry as to whether the breach occurred must take place in a proceeding for review of NECA's decision to demand payment of the civil penalty and not in the proceedings for recovery of the penalty.

Clause 46 makes provision for appeals to the Supreme Court against decisions of the Tribunal on questions of law, including any question as to whether a person's interests are affected by a decision of NECA or NEMMCO.

Clause 47 enables the Supreme Court to make an order staying or otherwise affecting the operation or implementation of a decision of the Tribunal that is the subject of an appeal to the Supreme Court.

Clause 48 enables the Tribunal to refer a question of law arising in a proceeding before the Tribunal to the Supreme Court.

Clause 49 enables the Tribunal to direct a party to a proceeding to pay the costs of the proceeding. In the absence of such a direction, each party is to bear its own costs.

Clause 50 gives a member of the Tribunal, a person representing a party before the Tribunal, and a person summoned to attend or appear before the Tribunal the same protection and immunity as if the proceeding were a proceeding in the High Court.

Clause 51 makes it an offence if a person who is summoned to appear fails to appear as a witness before the Tribunal without reasonable excuse (maximum penalty: $5 000).

Clause 52 makes it an offence if a person appearing as a witness before the Tribunal refuses to be sworn or to answer a question or produce a document without reasonable excuse (maximum penalty: $5 000).

Clause 53 provides a penalty for a person appearing as a witness before the Tribunal who knowingly gives evidence that is false or misleading (maximum penalty: $10 000).

Clause 54 creates offences dealing with contempt of the Tribunal (maximum penalty: $10 000).

Clause 55 prohibits a person from obstructing or improperly influencing the conduct of a hearing of the Tribunal (maximum penalty: $10 000).

Clause 56 prohibits a person from contravening an order of the Tribunal under clause 34 restricting publication of confidential material (maximum penalty: $50 000) or any other order of the Tribunal (maximum penalty: $20 000).

Clause 57 exempts a person from giving evidence or producing a document in a court if to do so would be contrary to an order of the Tribunal under clause 34 restricting publication of confidential material.

Clause 58 provides for the payment of allowances and expenses to witnesses appearing before the Tribunal.

DIVISION 3—MISCELLANEOUS

Clause 59 states that the chairperson of the Tribunal is responsible for managing the administrative affairs of the Tribunal.

Clause 60 requires that there be a Registrar and Deputy Registrar of the Tribunal in each participating jurisdiction appointed and employed by NECA.

Clause 61 requires the chairperson of the Tribunal to submit a draft budget to NECA for each financial year. NECA is to determine the budget but may only vary it with the agreement of the Tribunal's chairperson or the approval of a majority of the Ministers of the participating jurisdictions.

Clause 62 requires NECA to provide funds to the Tribunal in accordance with the Tribunal's budget.

Clause 63 requires the chairperson of the Tribunal to provide an annual report to the Minister of each participating jurisdiction.

Clause 64 enables the chairperson of the Tribunal to delegate his or her powers.

PART 6—STATUTORY FUNDS OF NECA AND NEMMCO

Clause 65 provides definitions for this Part of the National Electricity Law.

Clause 66 makes provision for NECA to establish a civil penalties fund, into which all civil penalties received or recovered by NECA under the national electricity legislation will be paid. Payments out of the fund are also governed by this provision.

Clause 67 makes provision for NEMMCO to establish and maintain Code funds as required by the code. The code will contain provisions governing payments into and out of the funds.

Clause 68 enables NECA and NEMMCO to invest money standing to the credit of the civil penalty fund and the code funds.

Clause 69 declares that neither NECA or NEMMCO, nor a director of NECA or NEMMCO, is a trustee or trustees of the money in the civil penalty fund or the code funds.

Clause 70 states that in the winding up of NECA or NEMMCO money in the civil penalty fund and the code funds will be applied in accordance with the Corporations Law in discharging debts and claims but only to the extent that the debts or claims are liabilities referrable to those funds.

PART 7—GENERAL

Clause 71 makes provision for a person authorised by NECA to obtain a search warrant from a Magistrate conferring power to enter and search for things reasonably suspected of being connected with a breach of the code.

Clause 72 requires the person executing a search warrant first to attempt to obtain permission for entry from any person at the place to which the warrant relates unless there is reason to believe that immediate entry is required to ensure the safety of a person or the effective execution of the warrant.

Clause 73 requires a person executing a search warrant to identify himself or herself to the occupier or a person apparently representing the occupier at the place to which the warrant relates and to give a copy of the warrant to such a person.

Clause 74 sets out various further powers of a person executing a search warrant such as power to inspect, examine or photograph anything in the place to which the warrant relates and power to take extracts from and copy documents.

Clause 75 allows the person executing a search warrant to seize things connected with a breach of the code other than the things named or described in the warrant if there are reasonable grounds to believe that the seizure of the things is necessary to prevent their concealment, loss or destruction or their use in further breaches of the code.

Clause 76 provides that NEMMCO may, for public safety or electricity system security purposes, authorise a person to switch off or re-route a generator, to call equipment into service or take equipment out of service or to exercise other similar powers.

Clause 77 makes it an offence if a person, without reasonable excuse, obstructs or hinders a person in the exercise of a power under a search warrant or a power under clause 76.

Clause 78 provides that, subject to any agreement to the contrary, a Code participant will not be liable in damages for any partial or total failure to supply electricity unless the failure is due to anything done or omitted to be done by the code participant in bad faith or to the negligence of the code participant.

Clause 79 provides for a certificate signed by a director of NECA to be evidence of a person's status as a Code participant.

Clause 80 provides that where a corporation contravenes the National Electricity Law or Regulations or is in breach of the code, each officer of the Corporation will also be guilty of that contravention or breach if he or she knowingly authorised or permitted the contravention or breach.

Clause 81 makes it clear that for the purpose of determining the civil penalty for a Code breach that consists of a failure to do something that is required to be done, the breach is to be regarded as continuing until the act is done despite the fact that any period within which or time before which the act is required to be done has expired or passed.

SCHEDULE 1

Miscellaneous Provisions Relating to Interpretation

Schedule 1 contains uniform interpretation provisions of a kind which are usually contained in the Interpretation Act of a State or Territory.

The DEPUTY SPEAKER: You mentioned on page 2 that the code as currently drafted would be tabled. This would be an appropriate time for you to table that.

The Hon. J.W. OLSEN: I table the code.

Mr FOLEY (Hart): I indicate that the Opposition intends to support this important piece of national legislation. We will be facilitating its passage through the course of this and next week to ensure that South Australia meets its commitment to the national Government and other States to be the lead State legislator for this significant piece of national legislation. This is a very complex issue and, whilst I know it is no fault of the Minister or the Government, it is a Bill that the Opposition has had for only a short time, due to the obviously complex nature of the measure's construction. It must have been an interesting process for a Bill to be constructed, as I understand, from representatives of four States, together with the Commonwealth. It would have been quite an interesting exercise in designing legislation by committee, and a committee with such vested interests as the States of Victoria and New South Wales.

I have had an opportunity to read the Bill a number of times. It is a very difficult Bill in the initial read to fully understand, and it does take a bit of time to work one's way through it. In fact, the Bill is perhaps not as intricate as it first appears when you look at the size of the Bill, as a fair proportion of it makes arrangements for the construction of certain bodies as against the actual functions which those bodies will undertake in their work. A significant part of the Bill also involves the establishment of a tribunal, and I suspect that, with no disrespect to the member for Norwood, whenever lawyers are discussing issues of a legal nature we need to have about three inches of paper to get through what we want to do.

The national electricity market has been a long time coming. As many members would know, the whole process began essentially in 1990. It was a former State Labor Government that gave in-principle agreement that discussions for a national electricity market should occur. That policy was deliberately driven from the national perspective. It would be fair to say that, whilst the then Labor Government in 1990 gave in-principle approval for the national electricity market, it was a process that caused great concerns. The former Government had a number of very realistic concerns about the impact on South Australia, the position of South Australia and the need for us to remain a viable sovereign State, and the ability to generate our own electricity was a very important element in that. That was recognised many years ago, and I am obviously prepared to acknowledge the work of Sir Thomas Playford in establishing the electricity industry.

We were very concerned in 1990 that, if one was to take too literally what was being discussed at the very beginning and think it through, the logical conclusion might well have been that in years to come South Australia would no longer have the need to generate its own electricity but simply draw from the enormous capacity and availability of electricity on the eastern seaboard, in particular, Victoria. Whilst that was perhaps a very futuristic view, I do not think it was without some possibility of occurring, if we were to have taken on board exactly what the Federal Government would have liked to see developed in the way of a national electricity code.

The issue has been the discussion point of a number of Premiers' Conferences, a number of Council of Australian Government meetings and a number of ministerial forums, including Ministers of the former Labor Government and Premiers Bannon and Arnold. Now, with Minister Olsen and Premier Brown, these discussions have been further advanced. I am obviously not privy to the discussions, but I can guess the sorts of issues that were at the forefront of discussion. I have no doubt that the Premier and the Minister would have represented the interests of South Australia vigorously, because these are bipartisan issues and not issues about playing politics, that is, to ensure that we as a sovereign State, as a small regional economy, are not dragged into a national environment or arrangement that could have some longstanding detrimental effect to our State.

Clearly, ETSA over many years has established itself as a very good organisation. It has had its own difficulties and complications to deal with in respect of the quality of coal that we have at our disposal at Leigh Creek and the availability of natural gas. With that in mind, ETSA has been a very important and significant part of our State's economy. We should all acknowledge the very important role of ETSA, particularly its work force, especially in the last four or five years when ETSA has had to restructure itself, both in anticipation of the national grid and also given the pressures on economies to deliver efficient and ever decreasing costs of power.

The work force at ETSA has been under enormous strain and stress and has been through a very difficult process over the past four or five years as they have faced nothing short of massive restructuring and downsizing. That has been done in such a manner that I do not believe that any of us at any stage have not been able to turn on our lights or power. No disputation has resulted in the non-supply of electricity to South Australians. That is a tribute to the way the work force has constructively approached the whole issue of reforming their organisation, and in particular reforming it with these very significant national pressures forcing down on the industry.

The national electricity market has very much been an evolving national code. As I have said, it is something that has evolved over many years. We should not underestimate or be blind to the impact the code will have on South Australia, particularly given our community, especially those of rural South Australia—and the member for Giles is probably the most ardent supporter of the rural community in this Parliament. There is an impact there, if not an obvious impact. The way in which the Government deals with the national grid with respect to rural users will obviously be something that will be a very important issue to work through. We have come to expect relatively cheap electricity throughout the State, both in the country and in the city. It has been reliable, and has come from what we consider in ETSA to be a State icon.

Clearly, those are some of the issues that have been at the forefront of the thinking of both the former Government and this Government. Industries in this State will be looking for real economic benefits from the national grid. We have heard much about what the national grid will deliver. It is now a question of seeing those benefits realised. Industry clearly wants and hopes to achieve significant economic benefits from the competitive nature of the national grid. It is important also that it be demonstrated to the general community, to households and families that, at the end of the period of adjustment of working through the national grid, cheaper electricity will be the result in terms of what is delivered to households in this State.

Given the very significance of the National Electricity Code and the establishment of NEMMCO, I should list what are the code's stated objectives: they are to provide a regime of light-handed national electricity market regulation to achieve the market objectives listed; to provide for a set of market oriented rules, authorised by the Australian Competition and Consumer Commission, governing market operations, systems security, network connection and access and network services pricing; to provide a cost effective framework for dispute resolution; to provide for adequate sanctions in case of breaches of the code; to provide efficient processes for changing the code; in particular to provide for the following in respect of technical and market operations: the responsibilities of all participants, detailed market rules including bidding, dispatch, spot price determination and settlement arrangement, detailed operational requirements including system operations and security, emergency operation, metering and maintenance scheduling, terms and conditions of access, technical standards that will apply for connection to the network, and methods to be used for pricing network services.

The national market's objectives are as stated: to encourage a competitive, innovative and efficient industry; to encourage economically efficient trading operation and investment by participants; to provide flare and non-discriminatory access to the market network services and information, decentralised decision making to participants where possible; to allocate risks to those best able to manage them; to have consistency between central dispatch and pricing; and to provide for supply and demand site options for meeting energy requirements to be treated equitably. They are all very noble goals and objectives, and clearly the legislation will put in place the framework and organisational structure to ensure that that is achieved. I repeat that it is not sufficient for us to simply put the code in place, to put a structure in place, without continually being aware of its impact on South Australia and its importance to the South Australian market.

We will have a member on the council, and that person's job will be very important in ensuring that South Australia's interests are considered at all times. I accept that it is a national code and that there will be no role for specific parochial interests. When I was researching for my short contribution today, I flicked through some papers and found a few quotes that were made by former significant players in the national grid debate. The former Chairman of ETSA, Mr Robin Marrett, in his capacity as Chairman of ETSA, when talking about the issue of the national grid (and a Bill that we will discuss shortly, that is, the disaggregation of ETSA) said that he had great difficulty with what could be gained by the breaking up of ETSA into its component generation, distribution and transmission functions. He believed that, provided the organisation operated in a transparent way, the actual structure is irrelevant. Of course, those remarks are more pertinent to the next Bill.

I also noticed a contribution made to the Senate committee inquiring into the electricity industry back in 1992 by someone who has had a very important role in drafting this legislation and advising this Government—the former Chief Executive Officer of the Hydroelectric Commission in Tasmania, Mr Graham Longbottom. He expressed a similar position to that of Mr Marrett, as follows:

> Deliberations on the national grid to which Tasmania had been a party had not revealed many problems with having vertically integrated authorities as participants in the grid. Mr Graham Longbottom stated that it is significant that the Scottish hydro is vertically integrated and it is interconnected with the national grid of England and Wales where this is not vertical integration.

That is also more relevant to the next Bill. Clearly people's views on the national grid and the changing structure of our electricity in 1992 has changed, because that is how the debate has developed. Many comments put forward in the early 1990s by people in South Australia and around the nation in respect of this legislation and the changing nature of electricity has very much changed.

As we have even noticed in this place, only 18 months ago the Minister put forward a Bill which he thought would be sufficient in terms of the structure of our State's electricity, yet here we are having to debate further legislation. This is a very dynamic period in which we live in respect of electricity generation. Nothing has remained stable, nothing has remained static. Views which we all shared and held about the way our electricity is structured and about the sovereign nature of our States have simply moved on very much from those of the early 1990s. However, from what I can discern, the new national Coalition Government in Queensland now appears to be less enthusiastic about the national grid than perhaps former Governments in that State had been.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: They are back on track now, are they? The reality is that all States—whether it be Tasmania, Queensland or South Australia—have a view, but South Australia has decided to join the national grid. I think, at the end of the day, we did not have much option. In a lot of ways it was forced upon us through deliberate Federal policy and through the changing structure of the world economy and its impact on Australia, in particular the South-Eastern part of Australia.

I hope that, over time, this Government and future Governments will acknowledge and understand the very important need to maintain our own electricity generating capacity in this State. We must never forgo the ability to generate our own electricity. We are a sovereign State and, regardless of economic argument and economic rationalism, at the end of the day there is not much purpose in having a State if we simply plug our extension lead into Victoria to draw our power. Whilst we are part of the national grid, we should always continue to generate our own capacity and, in years to come, as Torrens Island and the Northern Power Station run through their useful life, we, as a State, should not take the opportunity to simply plug the extension lead into the electricity grid.

Through whatever means are available we should continue to be creative and use all available options to develop generating capacity in this State. I acknowledge that, as is the case with Penrice and the co-generation plant that is now being constructed in my electorate, that is another unique and enterprising approach, and perhaps it is an indication of some

of the future ways in which electricity will be generated in this State under the rules of the national grid whereby private generation plant will supply electricity to Penrice and surplus power will be sold into the grid. I think that that is an interesting development and it is one that, perhaps, could well be a part leader in terms of how we address issues of increased generation capacity.

It is important that Torrens Island and Port Augusta continue to play an important and significant role in the generation of electricity for the national grid; that South Australia be an active player in the national grid; and that we continue to see the benefits flow from the national grid not just to industry in this State but, hopefully, through to the pockets of ordinary South Australians who deserve to benefit from the efficiencies that it is proposed will flow from the national grid. With those few words, I indicate the Opposition's support for the Bill.

Mrs GERAGHTY (Torrens): I do not entirely share the optimism of my colleague, the member for Hart. I do not raise these issues purely on philosophical grounds, although I must state that I have always opposed the sale of ETSA, which provides an essential daily service to the people of this State. The order in which I raise these issues is of no particular consequence.

First, something that does concern me and which we saw in the paper recently is that mums and dads will be able to purchase their home power on this spot market, along with the big power consumers who are major users of electricity. Accepting that we have been told that this will occur some years down the track, it is being touted around-leading a few people in the community to believe that it will happen soon-to gather support from the public in general.

I have spoken to a few people recently and most of them are quite sceptical of this move at this stage. Frankly, I think it is a rather ludicrous option because it will not be feasible for many years—if at all—and certainly well beyond the five or so years that we were told at the briefing the other day. When we made inquiries about how it would occur, we were not comforted by the explanation given. It seems to me that the spot market will be something like the stock exchange, and one will have to be highly skilled to participate. I am sure that many of us will not have the expertise or skills to do so.

More importantly, a real concern is the pricing method, the price determination. As it was explained to us, it is complicated and unusual: the generators will bid into the pool, the highest bid will be dispatched and the second highest bid will set the price for all those who are bidding. My question is: what safeguards are in place to ensure that collusion cannot take place between generators to set the price at a higher rate than would occur if the bids were independently submitted? We have seen examples of the collusion that took place in the barbecue and chicken industries. I agree that there is a vast difference between those examples, but nevertheless collusion could occur. If the consumer is to benefit through cheaper power from this process, we need safeguards to ensure that collusion or price manipulation cannot happen. When a question was asked about this, the answer did not seem to indicate that safeguards were necessarily in place. I look forward to an explanation, given that we were simply told, 'Just trust us; it will be okay'.

We are also concerned about people in rural areas who may eventually pay more for their power than those in the metropolitan area. Currently we cross-subsidise the rural communities because we recognise the important role that they play in our economy. We also recognise the fact that many people in rural areas are in difficult circumstances. When we questioned the pricing factor for transmission, we were told that the transmission charge could not be determined in the price of power. I would like that issue explained.

I also express the concern that I share with others in respect of the Port Augusta power station. Under this process that is another facility that we will eventually lose, unfortunately resulting in more job losses from country areas. Finally, I do not entirely support the move to the national electricity market. We in South Australia will be at a disadvantage in the long term. This State has not had power strikes or breakdowns of long duration that have disadvantaged consumers. Breakdowns of long duration in this State are rare because of the dedication and skill of ETSA employees. I fear that many of the skills and expertise built up over the years will be lost to us.

However, there is one comfort in this Bill. There are safeguards to ensure that any possible or future attempt to sell off our power subsidiaries must come back to the Parliament for scrutiny, whichever Party is in Government. In relation to that, I concur with my colleague who said, 'That is the saving grace of all this.'

Mr De LAINE (Price): I am also not as enthusiastic about this legislation as the member for Hart. I see many long-term dangers in this legislation. I will support the Bill but only for two reasons: first, because the Opposition supports it; and, secondly, because I realise that if the legislation passes through the South Australian Parliament we have some control over what happens in future years in relation to the legislation itself and any amendments that become necessary.

I think that this is the thin end of the wedge and we will eventually see the privatisation of electricity. I share the concerns of the member for Torrens in relation to the pricing mechanism when we become connected to the grid. If the price of electricity is the main thrust of the operation, why not accept the lowest bids? Why will the second highest bid be accepted? I do not see the rationale of that situation. Unless it is well controlled—and perhaps the code and the bodies that oversee this concept will be able to control it—there is potential for rorts in the system in relation to prices, quotes and tenders.

Recently, I spoke to Graham Longbottom about lost electricity when it is transmitted over long distances. When I studied physics, I was led to believe that this was an important factor that limits the distance that power can be transmitted. I have been given two different figures in respect of lost electricity: one was a small figure and the other was a high figure. I think the latter figure is the more accurate of the two. I have no doubt that those losses will be paid for by electricity coming from generators in New South Wales or Victoria; no doubt those losses will be built into the cost of power and will be paid for by South Australian consumers. In the final analysis, I wonder whether the price will be as attractive as we expect.

I also see dangers further down the track when our power stations start to age. Even in the medium term we will see significant job losses; we have already seen too many job losses in this State, and I am sure that there will be substantial job losses in the short to medium term. In the long term I believe that all the jobs will be lost. I think it is the thin end of the wedge to privatisation. I support the Bill for the

reasons that I have mentioned, but I am not enthusiastic about it.

Mr CLARKE (Deputy Leader of the Opposition): There are a couple of points I want to raise, and I may seek to take the matter further in the Committee stage. I appreciate the difficult situation in which this Government has found itself with respect to introducing this type of legislation. Regrettably, my own Party, when in office federally, pushed the Hilmer competition policy. I am not all that comfortable with what we did in this area at national level. A lot of it is horse swill in terms of the economic theories that go behind the Hilmer report and how it is applied with respect to State and Federal Government instrumentalities.

I believe that the Hilmer report, and those who advocate it, tend to forget that governments are about providing services to human beings, rather than as economic units to be used and fitted as cogs in a piece of machinery. Nonetheless, that is the direction in which we have been pushed. The South Australian Parliament, whether it be with a Liberal Government or Labor Government, inevitably would have had to bow to the pressure from the Federal Government and those larger States that see some advantage.

As my colleague the member for Hart has pointed out both publicly and privately, it recognises that the world has become smaller and we are more global, and that State boundaries no longer account anywhere near to the extent that they did even a few years ago with respect to our own economic and political sovereignty. For that matter, national boundaries have certainly become a lot less important with the globalisation of our economy. Having had a general sort of a grizzle, I guess that we have to support this legislation otherwise South Australia as a whole will be forced to pay the price through a Federal Government, whether it be Liberal and Labor, and the weight of the other States pushing us into this position.

The other point that I want to make may be more appropriate for the Committee stage, but I felt compelled to mention it when I read in the *Advertiser* about this spot market business, whereby, as the member for Torrens pointed out, mums and dads could phone up their local generator, perhaps SEQEB in Queensland, and say, 'I am going to cook a large roast, so can I book a half hour of your spare power so I can beef up my oven, cook the roast and save a few cents on the way through?' That is the perception that the *Advertiser* gave. I do not know whether the Minister's press secretary was over enthusiastic, but I know how enthusiastic the Minister is about his portfolio. I have learnt so many new words from him: ramp up, lead up, win-win. I have never yet found a downer in his vocabulary. Everything is on the rise, including unemployment levels, since he assumed office.

Mr Foley: Except his numbers in the Party.

Mr CLARKE: Yes, as the member for Hart points out, except among the members in his own parliamentary Party. Nonetheless, I think it is a bit rich. I will not put all the blame on the Minister for his over enthusiasm in describing how mums and dads can tap into the national electricity grid and save a few cents on the way through by booking in advance when they know they will have a heavy workload in the kitchen. What intrigues me above all is that some *Advertiser* journalist, or more particularly the *Advertiser* itself, could actually run such a beat-up. As a number of my friends and people in my electorate have pointed out, the fact that they no longer receive the *Advertiser* has made absolutely not one jot of difference to them in terms of keeping up with world events, because if you read the *Advertiser* you would not know about the current world. Unfortunately, a once proud newspaper has deteriorated significantly in terms of its responsibility of conveying news to the general public.

What is significant is that the *Advertiser* itself sees this as an economic advantage, as do a number of other large institutions and businesses that use significant amounts of power. I note that the *Advertiser* did not point out the financial benefits that it would accrue as a significant user of electricity supplies in this State, as will a number of other business houses, which will be able to utilise the spot market, unlike the domestic consumer. My real fears about this exercise, notwithstanding the tribunals and other conglomerations of regulatory authorities that are supposed to protect the average citizen, is that, generally speaking, those large organisations will do very well, thank you very much. They have the resources and knowledge of how to tap into the spot market and reduce prices for themselves. I have no doubt that at the end of the day local domestic consumers will end up paying proportionally more for their power than will large businesses.

The argument will be that, if these large business houses reduce input costs, they will reduce the price of their product or services, hence they will be able to compete globally and employ more people. I like the theory and I hope it works. I suspect that, if they save a dollar or two on the way through, most businesses will do what private businesses always do and put it in the pocket rather than hire more staff. They will put it on the bottom line for dividends to shareholders rather than hire more staff. If they were asked to share their windfall in terms of reduced pricing for power to employ a few unemployed people, particularly young people, they would tell us not to interfere with managerial prerogative. If we did, they would go offshore to Thailand or somewhere else where Governments do not care about civil rights or the employment conditions of workers.

If I sound sceptical and cynical about the benefits that will accrue to the people as a whole, I point out that my basic gut instinct as a former trade union official of 20 years has usually borne me out to be correct at the end of the day. As I said, simply because of the smallness of our regional economy in this State, we are not able to withstand the thrust of the Hilmer competition policy, which has been advocated, embraced, coddled and exhorted by Labor Governments federally and in the larger States and which has been picked up by the Liberal Party at a national level.

My next point may be more relevant to the Bills that will be debated in a few moments, but the thrust behind the Hilmer report forces us—this Government, and probably a State Labor Government—to split up the operations of ETSA into separate components. That is just sheer madness. I understand the theory behind it in terms of trying to disaggregate the various cost units within ETSA or any power company and determine the true cost of electricity—generating it, distributing it and transmitting it.

I thought that we had come a long way because I understand from the Minister for Infrastructure that EDS can do just about anything under the sun because of the magnificent arrangements and computing skills that his Government has secured for this State under a contract that no-one is allowed to see unless you are part of the College of Cardinals—the thirteen who happen to be Cabinet Ministers—or their advisers. They are allowed to see the contracts that the Government has entered into.

The Hon. J.W. Olsen: That is an irrelevance.

Mr CLARKE: It is as relevant as the answers that you give to many of our questions. The issue is that the competition policies that have been espoused by Liberal and Labor Governments federally are forcing State Governments to go down the path of disaggregating our ETSA utilities when we have computer systems that should be able to identify the actual unit cost of generating power. It is beyond comprehension that we do not have the accounting ability to do that within one structure such as ETSA. For the life of me I cannot see any advantage in the Bills that we will debate later this afternoon.

As the member for Hart said, the Opposition supports the Bill. We have little choice but to do that. I for one have a number of misgivings about the benefits that this measure will bring the State. No doubt the Minister for Infrastructure will try to give me a few nice words of comfort about this matter, and I sincerely trust that I will be able to believe him and that his words will be borne out in fact. I realise that some of these things are not necessarily of his own making but have been foisted upon him simply because of the drive towards Hilmer from Canberra, where it is supported by both major political Parties.

The Hon. J.W. OLSEN (Minister for Infrastructure): First, I thank Opposition members for their support for this Bill, in particular their commitment to assure passage of this measure through both Houses of the South Australian Parliament during these two sitting weeks. The support and the concurrence of the Opposition to meet that objective will enable us to fulfil a commitment of Ministers at the various jurisdictions as to passage of this legislation in that time frame. That enables us to be the lead legislator. Should we not have been able to complete that time frame, the simple fact is that Victoria would have become the lead legislator for this legislation. Some endeavour has been put in place by the Government and officers on behalf of the Government of South Australia to elicit the fact that we would be the lead legislator for all jurisdictions.

Mr Clarke interjecting:

The Hon. J.W. OLSEN: I have just acknowledged the support of the Opposition in this matter. In relation to a number of comments that have been made by members opposite, first, I simply make the point that the national electricity market was pursued vigorously by the Keating Labor Government. What we are debating now is a measure initiated by colleagues of members opposite in the Federal arena.

Mr Clarke: That is right.

The Hon. J.W. OLSEN: It needs to be established clearly on the record. In addition, it ought clearly to be understood that Treasurer Michael Egan is a supporter of this legislative direction and, if the Deputy Leader would like any support, or if his colleagues in another place need to attest to the reason why they ought to be supporting it, he should ring Senator Collins or contact former Prime Minister Keating. A whole range of people were prepared to lobby the Opposition in South Australia in an endeavour to bring this—

Mr Clarke: The trouble is that they do not know where South Australia is.

The Hon. J.W. OLSEN: Yes, they do; particularly on this matter they do understand where South Australia is and Treasurer Egan in New South Wales is a supporter. It is not as though there are conservative Governments in this country pursuing this line without bipartisan support from the honourable member's colleagues in other Parliaments throughout the country. That is an important point to establish.

South Australia has made a commitment to become part of the national electricity market because we see substantial benefits for this State. We are intent on preserving the jobs in companies such as Mitsubishi and General Motors, which are having to demonstrate international competitiveness with their products in the market, and failure to be internationally competitive will simply see them withdraw from their investments in South Australia. There would, therefore, be the withdrawal of thousands of jobs in South Australia.

We want to ensure that any investment in industry in South Australia has access to electricity at competitive prices, equal to that in any other State in Australia, to ensure that we do not impact on investment decisions for South Australia in the future. More importantly than that, in a national context, we want to ensure that industry in this State is able to compete competitively internationally. Yesterday in the Parliament I referred to what we see as important for the economy of South Australia to become globally focused and internationally competitive. Failure to achieve that will consign us to being the greatest retirement village in the next millennium. We need to understand that support for industry and acceptance that we must drive down costs and prices is the only way that, in the end, we will protect jobs in industry in this State and this country. That was the objective of the Keating Labor Government—and a commendable objective, I put to members, one to which I personally subscribe, as does the Government of South Australia.

To that end, I acknowledge and commend the efforts of officers from ESRU and ETSA as well as officers from interstate, including Mr Henderson from the National Grid Management Council and Mr Milliner, who has been providing consultancy advice regarding the preparation of this documentation. I thank those officers for their endeavours, on behalf of the respective Governments, in putting in place this national legislation.

I acknowledge that the Business Council of Australia has some reservations in relation to the size and complexity of the code: it would like it to be in a more simplified form. The code, as I said in the second reading explanation, will be considered by the ACCC. It may well be subject to further amendment and variation in the fullness of time, such variations being tabled in Parliament to keep Parliament apprised of the circumstances.

Whilst acknowledging the Business Council of Australia's wish for a simplified form—I concur with the objective—I point out that Parliaments and Governments have a responsibility to ensure that the interests of all are given some degree of consideration in terms of the rules by which the national market will operate. It is a matter of balancing those requirements. The representations from the Business Council of Australia will be considered in the finalisation of the code.

One honourable member referred to selling. We are not selling anything in relation to this: the establishing of the basis of trading is more accurate. Reference was made to the spot market being similar to the stock exchange and it was said that people who do not understand the rules will find it complex. It will be some time before it will come down to an individual basis. As with Optus providing competition to Telstra, there is a phase-in period and an explanation period.

People have a choice at the end of the day. Therefore, it need not be confusing, intimidating or complicated for individuals in residential places. They do not have to pursue this course in the next decade if they do not want to; there is

some surety. It is a matter of choice. It will provide competition for people over an extended time but, more importantly, it will ensure that industry in Australia is established as an industry base that can be internationally competitive—power being a major cost to industry—ensuring that we meet those international benchmarks.

Reference was made to community service obligations and rural pricing. The Government of South Australia made a commitment following the release of the Audit Commission report some 18 months to two years ago that we would maintain statewide pricing. For the purposes of obligations under COAG, we would identify what those community service obligations would be and develop a transparency in them. Let me assure the member for Torrens that there will not be an impact and price escalation for people living in the rural areas of South Australia. The Government has already made a clear policy determination in relation to that matter.

Skills and expertise will not be lost. In the next decade, I expect, we will change to combined cycle gas turbines: we will have to. That will bring in a new generation of skills that are required in the operation of that generating capacity in South Australia.

The member for Price referred to the losses over lines. I understand that there is a loss on transmission of about 4 per cent and a loss on distribution of about 5 per cent. Those types of percentage losses build in a safety margin for the generating capacity in South Australia. The loss that we experience over the interconnector with Victoria, or the possible river link that we will be putting in place with New South Wales—the 4 per cent or 5 per cent component to which I have referred—will build in a competitive advantage for generating capacity in South Australia. Rather than looking at the negative, we ought to be identifying that as the positive.

The other thing I would put to members opposite is simply this: this Government is committed in this current financial year and next to $100 million worth of investment in the electricity industry in South Australia. We will spend some $45 million at Torrens Island power station in upgrading so that it can compete in the national electricity market. We will also be contributing some $55 million to Leigh Creek to assist Port Augusta generators. So, clearly, this Government is putting money—

Members interjecting:

The ACTING SPEAKER (Mr Bass): Order!

The Hon. J.W. OLSEN: This Government is committing substantial funds of $100 million to assist generating capacity in South Australia to meet the competition in the national market. If we were pursuing the course suggested by some members opposite we would not put in the $100 million; we would put in other measures to actually force it down, to make it uncompetitive and to create that environment that members opposite talk about. But we are doing quite the reverse. We are giving support to generators in South Australia to ensure that they can be competitive in the market. I want to respond to one or two of the—

The ACTING SPEAKER: Order! I ask the Minister to take his seat. The Deputy Leader of the Opposition was warned earlier today and I now caution him about his behaviour. The member for Napier is out of her seat and I can clearly hear her comments, so I also warn her.

The Hon. J.W. OLSEN: Thank you, Mr Acting Speaker. In relation to the price being set, it is the highest bid that sets the clearing price, not the second highest bid. The bids are submitted independently and held in confidence until the dispatch and clearance of the price. Also, it ought not to be misunderstood that the ACCC will have a responsibility under the Trade Practices Act to regulate on the market behaviour that is considered uncompetitive or abuse of market power. So, you have the ACCC sitting there as the watchdog to ensure that generators cannot impact unfairly, unjustly and inequitably on the system.

I noted transmission pricing and what we propose to do in South Australia to maintain the parity in overall price. Each jurisdiction can average the wire charges in what is described as a postage stamp area to ensure evenhanded treatment irrespective of location, and we will be identifying those as a CSO. Security of supply in South Australia is reliant on supply of the interconnector. We are banking gas now: we are drawing as much as we can over the interconnector because of its price availability. It is cheaper to draw on the interconnector at the moment, given the contract that is in place, rather than using gas and generating ourselves. That is creating a competitive advantage for South Australia in the short term.

That will not last, because the contract will expire in the not too distant future, and that commercial contract between South Australia and Victoria on the interconnector will be renegotiated. We are in the process of doing that, and we will be trying to get the best deal for South Australia. I remind members opposite that that was put in place by the former Labor Government. The criticism of this Government based on decisions, policies and strategies put in place by the former Government never ceases to amaze me. Mind you, I do not disagree with what it did, but it is interesting that the members of the former Government actually did these things yet, two years into this Government, they are prepared to criticise their actions. It is a little bizarre.

I think that I have responded to the majority of the points made by members opposite, but I simply say that this measure is about positioning South Australia as a key player in the national electricity market. Secondly, and importantly, it is ensuring that South Australia is a participant in the national electricity market in the interests of industry in the State and positioning this State with a future so that it can have internationally competitive industry. At the same time, it does not create disadvantages for people living in sparsely populated rural areas of South Australia, because we have already made a decision to give a statewide common price, which identifies the community service obligation to protect those people and to act as a positive decentralisation policy within South Australia.

The passage of this legislation will ensure that South Australia is a key player, despite our size, in a future national electricity market. That point ought not to be underestimated by the House.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr FOLEY: Given the complexity and size of the Bill and the fact that the Opposition has, as I indicated earlier, been in receipt of it for only a matter of days, and also bearing in mind that this is national legislation; and given that any amendment put forward by the Opposition would simply result in the Bill's not passing, I intend to ask a number of questions about the Bill in general terms without being line or clause specific. I seek the indulgence of the Committee to undertake that process, which may expedite matters. In the Minister's second reading explanation there is a quote that I

did not quite understand. I did not receive a full briefing on that, although I should have at the time but, again, we have had the second reading explanation for only 24 hours.

It is noted that contestable customers purchasing in the wholesale market will be able to enter into financial hedging arrangements with any counterparty, including generators, retailers and traders. Could I have some explanation as to what that refers to?

The Hon. J.W. OLSEN: Customers coming into the market can come in on a spot price; alternatively, they can have a hedging contract that actually nominates the price, which will then be the price that will be paid for the electricity to that customer. So, you can either do it on the spot market or have a contract. Let me give an example. As I understand it, McDonald's would have the potential for its retail outlets to be bulked up. In Victoria, for example, McDonald's go to the generators and say, 'We have 22 stores, we want to do a deal for 22 stores by bulking up their purchasing', thereby perhaps creating a cheaper price of electricity for them. So, they can either buy on the spot market or go to this hedging contract to which I have referred.

Mr FOLEY: On the issue of pricing, I appreciate the analogy and the Minister's comments. I would like the Minister to explain a little further how the market price will be set in respect of the generator that will be dispatched and the price to be applied. I understand that the price immediately below that at which a generator will be dispatched will become the price. Will the Minister explain?

The Hon. J.W. OLSEN: The generators will bid in. The prices bid by the generators will be ranked. The generators will be pulled on stream until the supply meets the demand and the price will ratchet in until supply equals demand. Generators that bid too high simply will not be pulled into the market. It is therefore a competitive mechanism to drive down the bids and the prices from those generators. Unless they are competitive they will not get into the market.

Mr FOLEY: I am interested to know how we will totally avoid any market manipulation, for want of another phrase. Will generators begin to understand how the market flows with regard to price and as to where they need to pitch their price? It seems to me that over time some clever players in this industry will get a feel for what the market price will be and they may be able to control the market: not through collusion, but there seems to be room there for market manipulation of some sort.

The Hon. J.W. OLSEN: Of course, as the market matures and operates over a period, those participating in the market and putting bids into it will become better at it in terms of getting a better outcome. That is surely a good, commercial, competitive outcome and one that will bring benefits. The honourable member is almost asking whether generators will be able to collude. It is no different from any other companies today attempting to collude. We have various Acts of the Federal Parliament—the Trade Practices Act and the like—that prevent collusion in price fixing to disadvantage Australians. The ACCC has a responsibility under the Trade Practices Act to regulate market behaviour. If market behaviour is out of kilter, it is uncompetitive or there is an abuse of market power, clearly the ACCC would become a party to this, in much the same way as we now have provisions regulating the operation of the private sector as it relates to abuse of power and to collusion. We have the Foreign Investment Review Board, for example, whose objective is to keep a competitive base in Australia. These Federal Government instrumentalities have shown significant capacity in recent times to apply those principles to the marketplace.

Mrs GERAGHTY: I want to go back to the point about the pricing structure. I am sorry to labour over this, but initially we were advised that the top price would be dispatched, and I am still confused about that issue. Would the Minister explain the process again?

Mr Brindal interjecting:

The ACTING CHAIRMAN (Mr Bass): Order! The member for Unley is out of order.

The Hon. J.W. OLSEN: I will attempt to do so. If there is a demand for 1 000 megawatts of power and we have five generators which can produce 1 500 megawatts, to satisfy the demand we will pull in the cheapest price first. One generator will be pulled into the stream to submit into the grid; that is, the five generators have submitted their bid and the five bids are ranked in order of price. The cheapest price comes in, so if that generator is producing 500 megawatts it will sell all to the demand for 1 000. If the second generator has only 200 megawatts at the next best price, it comes in and we have satisfied 700 of the megawatts. Then we bring in the third price, because that is the next most competitive bid from the generator; that comes in and, if that is 300 megawatts, the demand meets supply. Because the supply is not required, the other generators that have bid too high do not produce and feed into the system.

Mr Brindal interjecting:

The ACTING CHAIRMAN: Order! The member for Unley.

Mr CLARKE: I want to question the Minister about the *Advertiser* article regarding how the mums and dads—

Mr Brindal interjecting:

The ACTING CHAIRMAN: Order! The member for Unley is out of order.

Mr CLARKE: What is the pricing mechanism? According to that article, which I gather was sourced from the Minister's office, ordinary citizens can somehow plan ahead when their roast will be cooked and book cheap power on the spot market by telephoning New South Wales, Victoria or somewhere else. Is that possible; and will it happen?

The Hon. J.W. OLSEN: With the greatest respect to the Deputy Leader of the Opposition, to equate a piece of national legislation with the size of the chook someone might be wanting to cook and their having to buy in extra power—

Mr Clarke interjecting:

The ACTING CHAIRMAN: Order! You have asked your question.

The Hon. J.W. OLSEN: That is the example you used. Reducing this significant national debate to that level does you as Deputy Leader of the Opposition no credit at all. When the market is fully operational and has matured, a residential customer can go to a retailer. This will take a number of years to progress, such as in the example I used previously, with Telstra and Optus long distance calls; local calls are now being offered, so the market is easing in. There is an explanation as the market takes over and an individual householder will be able to go to a retailer, purchase the power requirements and enter into a contract with a retailer to provide the power for that residence. That is the basis upon which it will be operating.

One will assume that consumer cooperatives will emerge. I am sure the Deputy Leader and some of his colleagues will be very quick to put consumer cooperatives together to assist in the purchasing of power by retailers. There will be off-peak and on-peak deals in much the same way as we have just

reduced by 15 per cent off-peak hot water service use for residential customers throughout South Australia as a result of productivity and efficiency gains in ETSA. The benefits are going back to consumers in South Australia to make sure there is a competitive advantage not only in doing business here in South Australia but also in living in South Australia. It is the reason why our average weekly earnings are lower in South Australia; it is the reason why we are able to argue that there ought to be new investment in South Australia; it is a reason why more jobs will be created in manufacturing industry in South Australia; and there will be hedging—

Mr CLARKE: All I have asked is a simple question about a chook.

The Hon. J.W. OLSEN: I hope that the explanation is at least full and thorough and that we will not have a repeat chook question from the Deputy Leader of the Opposition.

Mr CLARKE: My question again relates to pricing and the methods by which you will do it. I do not mind the Minister making a cheap shot like that, because it was his own office that must have put out the press release which the *Advertiser* picked up. It was put to the public not that this would happen when the market matures many years down the track but that it was imminent. It happened to be a major selling point that the Minister put to the media. We now realise that it is a furphy and just part of the Minister's vocabulary of 'ramping up', 'win-win-win' and the other terminology he uses from time to time. I must apologise to the *Advertiser* because obviously it was fed this line by the Minister. I did not think it was the Minister—I thought it was the *Advertiser* on its own.

Mr BRINDAL: On a point of order, Mr Acting Chairman, to which clause is the Deputy Leader referring?

The ACTING CHAIRMAN: I do not accept the point of order. There is a bit of leeway because this was brought on and agreed by the Minister. I do ask the Deputy Leader of the Opposition to address his question to the Minister.

Mr CLARKE: Thank you, Sir. I appreciate your cooperation in this matter, unlike the soon to be independent member for Unley.

The ACTING CHAIRMAN: Those comments are not helpful. I ask the honourable member to ask his question.

Mr CLARKE: In respect of the pricing system, and in terms of the mechanics of billing people for the power they use, I can understand that large companies would be able to install the right sort of meterage, because they might be swapping between power from Victoria or New South Wales. However, if the domestic consumer is to benefit from this many years down the track in respect of the ability to buy power on the spot market, how will it be recorded that between the hours of 10 a.m. and 4 p.m. I purchased X number of units from Queensland and for the rest of the week I purchased power from South Australia and the week after that I purchased two hours from Victoria? Who will bear the cost of this type of metering, or is the technology available and will it be supplied?

The Hon. J.W. OLSEN: Let me go back one step. Generators produce the electricity and feed it into the transmission lines that get it into the distribution network, which is the postage stamp area of residential consumers.

Mr Clarke: So it has to be on the cluster?

The Hon. J.W. OLSEN: That is the process by which power generated feeds its way through to the residential consumer. They will not have to change their metering via different regulators. They will be able to purchase from a retail distributor of their choice. It is the retail distributor who will buy the power via the transmission line and the distribution line, whether it comes from a New South Wales, Victorian or South Australian generator. It will all be fed into the line. The consumption from the lines will be on the basis of a residential consumer purchasing from a retailer in the distribution network.

Taking it one step further, we have announced what will occur in South Australia as a result of the Industry Commission report. Despite the Industry Commission recommending that we ought to have three retail distributors in South Australia, the Government has decided not to pursue that course. The Electricity Trust of South Australia will be the distributor. We see no need to separate further the distribution network in South Australia, unlike Victoria where there are five distributors, and New South Wales where there are six.

Mr Foley: Adelaide has one!

The Hon. J.W. OLSEN: Yes, but there is a reason for that. The number of customers in Sydney and Melbourne is totally different. We have a different set of circumstances in South Australia from the interstate market. That is why the South Australian Government has said that we will not implement stage two of the Industry Commission's report. Therefore, in respect of the honourable member's concerns for the residential consumers in his electorate, there will be no difficulty, just like the water deal. The water still runs out of the tap, the loos still flush, the price has not gone up, and there is no change.

Mr De LAINE: I may be a bit thick, but could the Minister explain how the power will be distributed from the grid? I can understand if a generator is connected to the transmission lines and it feeds into a factory and they negotiate a price, but I cannot quite grasp how the whole thing will work if two factories use substantial amounts of power, the first one using power from a certain generator and the next one along the same street using power from another generator. How will that be sorted out with respect to charging?

The Hon. J.W. OLSEN: When the generators feed into the system, as the honourable member would appreciate, no-one can tell who produced the power once it is in the lines. The power goes into the lines from the generators. They then transmit that, via the interconnector in Victoria or the 275 kV from Port Augusta to Adelaide, into the distribution network—the small wires that distribute it to the factories and the like. The factory will buy it from the distributor. The distributor buys from the generators. That is the process and the steps by which it gets to the factory.

The national market is envisaged to start in the latter part of this year. That will be an interim market between New South Wales and Victoria. I understand that, if you are below one megawatt, you will still be able to feed into the market. Whilst that temporary market starts later this year, we are proposing—conditions precedent being agreed to and put in place that the South Australian Government wants as conditions precedent to going into the national market on 1 July 1997—a 10 megawatt start up. So, any companies above 10 megawatts can be a participant in this national market in the first phase, and then we will go to five, then to one and then below one. So, you step into the market. It is not as if overnight the market is completely opened up.

I believe there are 25 South Australian companies that purchase greater than 10 megawatts on an annual basis. It is those companies that will go into the national market from 1 July next year. There are 28 South Australian companies that use five megawatts. After that we move to one megawatt,

which starts expanding it out. However, that will take several steps. We want market integration before we put those steps into place.

Clause passed.

Clauses 4 and 5 passed.

Clause 6—'Application in South Australia for national electricity law.'

Mr FOLEY: I have a number of questions about the impact on and future for ETSA as regards South Australia being a participant in the national grid. Can I ask these questions now or should I wait until we deal with the subsequent Bill?

The Hon. J.W. OLSEN: We have officers from interstate advising us and who have been instrumental in working with the jurisdiction to put the market in place. We should dispense with this legislation now, so that the officers can leave this evening. If the honourable member wants to ask about the impact on ETSA, I think that that might be more appropriate in the ETSA Generation Corporation legislation, which is the disaggregation component of ETSA.

Mr FOLEY: How will NEMMCO be structured? What will the organisation look like? I assume that NEMMCO will be a trading company. If there are any trading losses, who will underwrite them? Will the States collectively underwrite them?

The Hon. J.W. OLSEN: It is a Corporations Law company; a board of directors is nominated by the respective jurisdictions; there will be a commitment of funds for start-up, that is, establishment costs, by the respective jurisdictions on agreed proportions (to date). The losses are to the extent of the guarantee, which I understand is $20 million—that is the extent of the losses that can be incurred. Those losses will then be of the same proportion as the basis upon which NEMMCO (the national trading company) has been established.

Mr FOLEY: I take it that the Commonwealth will not pick up any share of the liability.

The Hon. J.W. OLSEN: The Commonwealth has put in $3.3 million as an establishment grant. It will not pick up the losses. Any losses beyond the $20 million—the extent of the guarantee I talked about—will be picked up by the pool process, as the price in the pool process.

Mr FOLEY: Concerning the issue of civil liabilities in the event of contractual breaches or common law actions for negligence and consequential losses, I have some information that suggests that the code indemnifies NECA but not NEMMCO.

The Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development): I move:

That the sitting of the House be extended beyond 6 p.m. for the duration of the Bill in Committee.

Motion carried.

The Hon. J.W. OLSEN: I am advised that if NEMMCO enters into any contracts it has civil liability as does any other corporations law company.

Clause passed.

Clause 7—'Application of regulations under National Electricity Law.'

Mr FOLEY: Will the Minister provide more information about the role and functions of the tribunal?

The Hon. J.W. OLSEN: The tribunal can review, is an appellant and can enforce sanctions on NEMMCO and code participants.

Clause passed.

Remaining clauses (8 to 14), schedule, preamble and title passed.

Bill read a third time and passed.

[Sitting suspended from 6.4 to 7.30 p.m.]

ELECTRICITY CORPORATIONS (GENERATION CORPORATION) AMENDMENT BILL

The Hon. J.W. OLSEN (Minister for Infrastructure) obtained leave and introduced a Bill for an Act to amend the Electricity Corporations Act 1994. Read a first time.

The Hon. J.W. OLSEN: 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.

Members may recall the passage of the *Electricity Corporations Act* in November 1994 when the most fundamental restructure of ETSA since its formation in 1946 was contemplated. It is interesting to note that in September this year, ETSA will celebrate its 50th year of service to the community of South Australia. It is a proud record of achievement that the Electricity Trust has recorded as testimony to Sir Thomas Playford's aspirations.

Members would also be aware of the intense pressure applied by the previous Federal Government and the New South Wales and Victorian participants in the electricity supply industry for South Australia to vary its structure to become more aligned with the competition principles agreed at COAG by the Premiers.

What we have in ETSA at present is a "holding company", ETSA Corporation, beneath which there are four subsidiaries formed in line with the provisions of the *Public Corporations Act*. They are—

ETSA Power (the distribution and retail business);

ETSA Generation (Leigh Creek coalfield, Port Augusta and Torrens Island power stations);

ETSA Transmission (the transmission and system control functions); and

ETSA Energy (gas supplies, alternative energies).

These subsidiaries were gazetted on 29 June 1995.

Although it was the Government's opinion that the existing structure was appropriate, it became apparent that the COAG requirements, along with the attitudes of the Commonwealth, NSW and Victorian State Governments, would stand in the way of South Australia entering the National Electricity Market, and so possibly not qualify for the full competition policy compensation payments from Canberra. The Government therefore invited the Industry Commission to review the structure of ETSA.

Members may have noticed that the Industry Commission Report was released by the Government on Monday 29 April 1996. At the same time, the Government's intentions regarding that report's recommendations were announced.

The Industry Commission Report recommends that the generation functions be separated from ETSA Corporation. It also recommends, in a second phase of further disaggregation, either the separation of transmission and dividing ETSA Power into two or three independent retailers or the transfer of ETSA Power's retail activities to two or three independent retail businesses.

The Government does not accept the Industry Commission view on the second phase. They have not demonstrated that there are economic advantages to South Australia in adopting that course.

However, we cannot take the same position regarding generation. We have been advised that electricity generation costs may be as much as 15 per cent higher than they would be if ETSA Generation had to meet real competition for the South Australian market. This translates to a tariff effect of more than 6 per cent.

These potential benefits, and indeed any other benefits we can find, should be available to the commercial, industrial and domestic sectors of the South Australian economy from the earliest moment.

There are other issues at stake. Between 1997/98 and 2005-06, South Australia expects to receive from the Commonwealth

Competition payments estimated to total $349 million in 1995-96 dollars. This money is dependent upon the State meeting the three-stage conditions of payment specified in the competition policy agreements. Reforms to facilitate the National Electricity Market are part of the first stage of those conditions. If South Australia fails to introduce these reforms during the life of the agreement, some or all of that money may be at risk. In addition, a component of Financial Assistance Grants, estimated to be worth $839 million to the State including a local government component, is linked to implementation of competition reforms. Implementation of this restructure will leave no room for argument that South Australia has complied with its obligations in this area, and will therefore help to ensure that the State receives all of this Commonwealth assistance.

The separation of generation could have been accomplished within the existing legislation simply by regulation.

The Government has instead decided to introduce a bill, mindful of the undertaking to the Opposition in November of 1994 that the matter of separation would be brought back to the Parliament.

At that time, in answer to a question from the Opposition, we estimated that it could be 3 to 5 years before the step was necessary. We also said that the circumstances around the National Electricity Market can change rapidly.

It is our intention to have the South Australian Generation Corporation operational by 1 January 1997. The advantages of that will be that the two separate corporations will have the opportunity to "bed down" before South Australia commences participation in the full National Electricity Market. Secondly, it will demonstrate South Australia's *bona fides* regarding competition compensation payments to leave no opportunity for discounting by Canberra.

The provision in the *Electricity Corporations Act* for the transfer of staff to SA Generation Corporation guarantees the continuation of the existing terms and conditions of employment for staff transferred to the new Corporation. However, the creation of two separate corporations requires some amendment to Schedule 1 of the *Electricity Corporations Act* dealing with superannuation to facilitate this. The ETSA Superannuation Fund will need to become an industry fund. Therefore, provisions need to be made for all electricity corporations to ensure that the liabilities of the Fund are met.

There has been much said by the Opposition about a privatisation agenda. We said, in answer to a question on 16 November 1994 (*Hansard* p. 1096), that the Government had no plans to privatise ETSA. It had no such agenda then nor does it now. We have repeated the position *ad nauseam*. It seems that the only way we can convince the Opposition of our position is to enshrine the Government's position in the legislation and we are prepared to do so.

I commend this bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 4—Interpretation

These amendments propose to insert a reference to SAGC (the SA Generation Corporation) and delete the obsolete reference to an electricity generation corporation in the definition of an electricity corporation.

Clause 4: Amendment of s. 5—Electricity generation functions

The first amendment is consequential on the establishment of SAGC as the electricity generation corporation. The second amendment makes it clear that an electricity generation corporation will have power to retail electricity generated by it. The third amendment to section 5 proposes to expand slightly the functions of SAGC to include in the list the carrying out of transport operations.

Clause 5: Amendment of s. 6—Electricity transmission corporation and functions

This clause amends section 6 of the principal Act to make it clear that electricity transmission and system control functions will include the generation of electricity for security of supply purposes.

Clause 6: Amendment of s. 7—Electricity distribution functions

This clause amends section 7 of the principal Act which sets out the functions which constitute electricity distribution functions for the purposes of the Act. Currently one of the functions is the generation of electricity on a minor scale or local basis. The limiting words are removed by the clause and provision is made to make it clear that electricity generated by a corporation with distribution functions may be supplied on a wholesale, retail or other basis.

Clause 7: Amendment of s. 10—Functions of ETSA

This is consequential on the establishment of SAGC. ETSA will no longer have electricity generation functions as these functions are to be the functions of SAGC.

Clause 8: Substitution of headings

This is a consequential amendment.

Clause 9: Substitution of ss. 20, 21 and 22

These amendments are consequential.

20. Establishment of SA Generation Corporation

New section 20 establishes SA Generation Corporation as a body corporate with perpetual succession and a common seal and the capacity to sue and be sued in its corporate name.

Clause 10: Amendment of s. 23—Application of Public Corporations Act 1993

This amendment is consequential and changes the reference to a generation corporation to a reference to SAGC.

Clause 11: Substitution of s. 24

24. Functions of SAGC

New section 24 provides that SAGC has electricity generation functions that it may perform within or outside the State.

Clause 12: Amendment of s. 25—Powers of SAGC

Clause 13: Amendment of s. 26—SAGC to furnish Treasurer with certain information

Clause 14: Amendment of s. 27—Common seal and execution of documents

These amendments are consequential and change references to the generation corporation to references to SAGC.

Clause 15: Amendment of s. 28—Establishment of Board

These are consequential amendments changing references to SAGC as well as changing the number of board members from 4 to 6. At least 2 members must be women and 2 men.

Clause 16: Amendment of s. 31—Remuneration

This amendment is consequential.

Clause 17: Amendment of s. 32—Board proceedings

This amendment in respect of a quorum of the board is consequential on the increase in membership of the board from 4 to 6.

Clause 18: Amendment of s. 33—Staff of SAGC

This amendment is consequential.

Clause 19: Insertion of s. 47A

47A. Limitation of power to dispose of certain assets

New section 47A provides that a transaction for the disposal of assets to which proposed section 47A applies cannot be made except on the authority of a resolution passed by both Houses of Parliament. The new section applies to a transaction if—

- it is a sale of assets of an electricity corporation consisting of electricity generation facilities or the whole or part of an electricity transmission system or electricity distribution system; and
- the sale is negotiated with a view to the operation of the assets as part of the South Australian electricity supply system by a person or body other than an electricity corporation.

Clause 20: Amendment of s. 48—Mining at Leigh Creek

These amendments are consequential.

Clause 21: Amendment of schedule 1

Schedule 1 deals with the superannuation schemes for electricity corporations. Currently provision is made under the schedule for the creation of subdivisions of the ETSA Superannuation Fund. Subdivisions have not in fact been created and the amendments are designed to replace references to subdivisions with references to divisions of the Fund to reflect this fact. If subdivisions are subsequently created then, under the amendments, references to divisions will be required to be read as references to subdivisions.

An amendment is made to clause 9(4) of the schedule so that it no longer specifies that the periodic contributions (reflecting the contributions paid to the Treasurer by contributors) be paid into the ETSA Superannuation Fund from the Consolidated Account. Instead the practice followed will be for contributions to be paid into a special deposit account at the Treasury and subsequently paid out of that account into the ETSA Superannuation Fund.

Provision is made by the clause to relieve the Superannuation Board of the need to keep contributors' accounts for persons in receipt of pensions under the contributory scheme. The current requirement for such accounts serves no practical purpose.

In addition, the clause inserts a new provision under which an electricity corporation will, if the superannuation Rules so provide, be required to establish at the Treasury funds for the purpose of setting aside money to be applied towards meeting liabilities of the corporation that arise from time to time by virtue of the contributory

scheme or a non-contributory scheme. The money in such a fund will be invested by the ETSA Superannuation Board.

Mr FOLEY (Hart): Following on from the debate prior to the dinner adjournment when, with the full support of the House, we passed a Bill in relation to the national electricity market, we are now moving to the issues that more directly affect the immediate future of South Australia and, indeed, the immediate future of electricity generation in this State. This will be a more robust debate; it is a debate that is very important as we are talking now about the structure, size and shape of our electricity generation capacity in this State. We as an Opposition accept that a decision about the national market was taken some time ago; it was a collective decision by the States and we as an Opposition, albeit in many cases reluctantly, have decided to support it.

We will put this Bill under more rigorous assessment. Whilst we are pleased with parts of it, we have deep-seated suspicions about the Government's true intent and given the recent track form of this Government we feel rightly concerned about what the Government may be attempting to do in the future regarding electricity or the ETSA Corporation as it presently exists. We intend to debate the very nature of ETSA as we know it and the very nature of ETSA as proposed under the Government's Bill; more importantly, we intend to ensure that in this State we maintain a publicly owned electricity generation and distribution capacity. That is the bottom line.

As the Leader of the Opposition has said on many occasions, whilst the Labor Party has been prepared to accept a number of privatisation issues, we are vehemently opposed to the privatisation of electricity and water. In this case, we are definitely opposed to privatisation in the case of electricity. I accept that the Government has proposed amendments under this Bill and we will be debating the merit of those amendments and the quality of those assurances. Privatisation requires the approval of both Houses in the Committee stage and I will refer to that later.

The Government's deliberations on what to do with the structure of ETSA have been very interesting indeed. It has been interesting to watch the way in which the Government has dealt with the issue of the structure of ETSA—whether ETSA as it is remains; whether we break ETSA into a series of component parts; whether there is partial disaggregation. It has been an interesting debate.

Only 18 months ago—perhaps even less than that—we were in this Chamber debating the corporatisation of ETSA—the establishment of the ETSA Corporation with its subsidiaries. Under that Bill we allowed the Government through regulation to further separate the generation, transmission and distribution functions of ETSA. We were told at that point that it was the Government's view that that would be sufficient to meet the national pressure upon it in terms of conforming with the national electricity market.

Within a matter of months after debate on the original Bill, the Government brought more legislation before the House further separating ETSA. We were told that it probably would not occur in the life of the Parliament, but within a matter of months we had to further divide and separate the various functions of ETSA. We were told that that would be enough, that that would be sufficient, and that we would not have to revisit this issue until a future Parliament. Yet here we are, six or eight months later, doing that very thing.

I appreciate that the State Government has been under pressure from Federal Governments, both Labor and Liberal. It has been threatened that promised compensation payments would be withheld from the State. Notionally those payments are close to $1 billion over 10 years, and I will be quizzing the Minister on that issue shortly. I assume that those compensation payments are locked into the forward estimates of the Federal budget, and I will be interested to hear the Minister's response on that point. I appreciate that he has been under Federal pressure and under peer group pressure from the other States. Having been a spectator at my fair share of ministerial council meetings, I know the pressure that Ministers can be put under on those occasions and I have no doubt that the pressure from New South Wales and Victoria would have been significant in terms of the break up or disaggregation of the Electricity Corporation.

The way the Government has dealt with that issue has left me a little confused. I have not been too certain as to what the Government was wanting in the final structure of ETSA. On the one hand the Government has stated that it is under pressure from the Federal Government, from other States and from the threat of compensation of $1 billion being withheld for a decade. It needed to look at conforming. So, what did the Government do? It did what it usually does in the face of a difficult decision and it set up an inquiry, and it brought in the Industry Commission. As I have said before, it is a consistent pattern with this Government, which is not capable of making a decision and which does not have the courage of its convictions to stand by, to bring in a committee. We have seen it with shopping hours and with a whole raft of difficult issues. We also know that it never adopts the inquiry's recommendations. Why the Government calls for them is beyond me.

The Government brought in the Industry Commission to tell it how to get out of this dilemma. Anybody knowing the form of the Industry Commission would have had a fair idea what it would recommend. One would not have to be Einstein to work out that the Industry Commission would never be satisfied with the present structure of ETSA. It wanted something akin to what our Eastern States counterparts would like our structure to be and very akin to what our Federal colleagues, Labor and Liberal, would like our structure to be. I am really bemused why a lot of taxpayers' money was spent on the Industry Commission report, but it came in and did its bit and, guess what, the Industry Commission recommended the total disaggregation of ETSA in two stages, which any third year economics students at Adelaide Uni would have predicted as the outcome. Of course, the Government has not adopted the IC recommendation.

The IC said that there should be a two stage restructuring of ETSA. Stage 1 would see ETSA's generation system, management, transmission and distribution activities separated and managed independently, which would remove barriers to other generators entering the State's market. Stage 2 would involve creating two or three distribution and retail businesses to compete for the output of the local generators. Implementation depends on a prior study of how best to divide the distribution network. It is pretty radical stuff.

It is interesting that the Industry Commission was brought in because, with an Industry Commission inquiry, the Government has to make a submission. The Government, through ETSA, made a submission. The submission was endorsed by Cabinet, so it went to the Industry Commission as the definitive State Government response to the pressures that were put on it from the national Government and from the State Governments participating in the national grid. Lo

and behold! What did the State Government-Cabinet endorsed recommendations say? It said we should leave ETSA essentially as it is, barring one or two minor realignments. The bizarre situation developed with Canberra, Victoria and New South Wales telling us to disaggregate or break up ETSA into as many small component parts as possible to give them true competition. The Government scratched its head, not knowing what to do, so it decided to have an inquiry.

It brought in the most right wing, economic rationalist organisation in Australia—the Industry Commission—to tell it what to do. Blind Freddy knew what it would say: it put the national view. Just to confuse matters the Government got ETSA to put together a submission, Cabinet discussed it, stamped it with approval and put it before the Industry Commission recommending that we keep ETSA as a whole. I as shadow Minister scratched my head asking what the Government wants. Does it want disaggregation or does it want to keep ETSA together, or are there forces in Government that are battling that issue? It seems to be odd and it has sent mixed messages, with the Industry Commission's recommendations on the one hand and the Government's recommendations on the other arguing the very opposite. It was always clear what would be the view of the Industry Commission.

I had my briefing with the General Manager of ETSA and I thought he put forward a very good argument as to how ETSA could be retained as one unit, with its various component parts under the umbrella corporation, meeting the national competition guidelines. I was convinced, as was the Government, but as we know the Industry Commission was not. What I do not know is whether the Government discussed the ETSA submission with the other States and with the national authority separate to the discussions that occurred with the Industry Commission.

Mr Brindal: I came in to listen to you. When are you going to say something interesting?

The SPEAKER: Order! The Chair did not come in to listen to the member for Unley at this stage.

Mr FOLEY: Thank you, Sir, for your protection. I enjoy the rare pleasure. I look forward to hearing from the Minister as to whether the ability to hold ETSA together was discussed with his national colleagues. This 50 or 60 page submission cost a lot of money, went very much to the heart of the issue and put forward a lot of interesting arguments. It suggested that any limited disaggregation—not full disaggregation but minimal to medium sized disaggregation—would cost the taxpayers of this State considerable amounts of money. The summary states:

> There are clear and demonstrable economies of scale and scope advantages in the proposed ETSA structure.

That refers to holding ETSA together. It continues:

> The net additional annual cost associated with the loss of economies of scale and scope for the division of ETSA generation into two new businesses is $9 million to $40 million. The division of ETSA distribution and retail into three businesses—

which is essentially the second stage of the Industry Commission recommendation—

> is $13 million. The complete separation of ETSA into separate generation, transmission, distribution and retail business is not less than $18 million.
>
> The costs of separation of generation only are marginally less than the costs of complete separation of generation, transmission and distribution.

ETSA's own submission to the Industry Commission is telling us that the Bill the Government has before the House tonight to separate generation from ETSA will not cost any less than $18 million—$18 million to separate ETSA generation from the ETSA Corporation. That is a significant cost and it is something that we all have to bear in mind. Members should note that this is ETSA's own submission, which was written only in recent months. It further states:

> There are also significant one-off costs of establishing any of the above scenarios for ETSA, some of which are identified in the text.

There is a whole series of numbers as we go through it that make that bill rise to a figure very much in excess of $18 million. Clearly, the cost of separating the generation component of ETSA is not cost neutral: it has a substantial cost bearing on it. As I quoted, slightly out of timing in the previous debate, many commentators in recent years have questioned the need to totally disaggregate electricity generation through the country. Whether it be the unique position we find in Tasmania (of which I also have some intimate knowledge) or whether it be the complexities of what we have in South Australia, over time some very senior people—experts in the electricity area—have felt that ETSA, as it currently is, can still compete and meet the national guidelines. The reality is that, at the end of the day, with the Federal Government holding out these compensation payments the State Government was forced into some form of action.

Mr Brindal interjecting:

Mr FOLEY: Good. Well, I have not succeeded in putting you to sleep, so I will keep working on it.

Mr Clarke interjecting:

Mr FOLEY: Yes, well, he is only in his last 18 months in the House so we should be kind to him.

The SPEAKER: Order! I would suggest to the member that those comments are not related to the Bill.

Mr FOLEY: No, Sir, but they are extremely pertinent. Sorry.

Mr Clarke: He is under threat, too.

The SPEAKER: Order! The Deputy Leader of the Opposition has not distinguished himself this afternoon in his conduct. It is rude to interrupt a colleague, so I suggest that he allow his colleague to continue with his speech.

Mr FOLEY: Thank you very much yet again for your protection, Sir. We should not make a habit of this and I am sure we will not. Further in the report there are also some suggestions that separating ETSA Generation Corporation would also have some other cost impacts but, for the sake of curtailing my speech, I will not quote line for line. Clearly, however, there was a strongly argued case that we should hold ETSA together. I would like the Minister to respond and explain why ETSA put in such a submission and whether that submission was discussed with the national authorities or whether we simply accept the view put forward by the Industry Commission.

More specifically, the Government has decided to implement stage one of the Industry Commission report. It has not, as yet, recommended that it will go ahead and implement stage two. If one were to believe the Government, that is because it has no intention of doing it, but when one reads the Industry Commission report one finds that the Industry Commission mentions that information given to the commission suggested that there may be some significant practical difficulties in creating viable stand-alone retailers, at least in the early stages of the national market.

The report implies that stage one can be done quickly. Stage two, which is the further disaggregation, the further separation of distribution and retail, is something that can be done further down the track when the national market is up and running, has been around for a couple of years and we know the scope of it. Will the Minister tell us tonight whether the Government intends to go to stage two or does it completely rule out a stage two Industry Commission further disaggregation? The Minister can roll his eyes and shake his head, but that is a legitimate question. That is the recommendation of the Industry Commission.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: I am not talking privatisation, I am talking about stage two—disaggregation.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: I am saying that in all the Minister's comments all he has said is, 'The Government at this stage does not intend to go to stage two.' What I am asking is: will the Minister rule out a stage two disaggregation completely? That is the question—no drama, no great dispute or debate, but simply rule out a further stage two disaggregation. The other issue relates to the Government's future intentions for ETSA. Through some documents leaked to the Opposition we discovered—as I have commented before, we almost have to have the leakers queuing up at our doors because the volume of paper is so large and frequent—

The Hon. J.W. Olsen interjecting:

Mr FOLEY: Exactly.

An honourable member interjecting:

Mr FOLEY: No, but they gave me enough pages to alert the—

The Hon. J.W. Olsen interjecting:

Mr FOLEY: The Minister is yet again accusing me of simply being a headline grabber. I am offended by that. Quite frankly, the Opposition has had enough time to show that it is not a headline grabbing Opposition. We are a constructive Opposition, and when it comes to issues of our State's assets and the future of important issues such as water and electricity, despite the volume of numbers opposite, despite the sheer pressure we are under day in and day out, we will be in there fighting for water and for electricity. The soon to be independent member for Unley might want to listen to this because this could be a good vote catching issue for him if he wants to distinguish himself as an independent member.

This document, albeit not the complete document, was a very detailed discussion paper on how to privatise the most lucrative part of ETSA without having to come to Parliament. Incidentally, I must send a copy of this to my colleagues in the Federal Parliament because this is clearly the template being used for the privatisation of Telstra, a similar principle. This document is dated February of this year—I will not read the whole document unless provoked—and states:

> The proposal to sell 50 per cent of ETSA transmission assets without any requirement for legislative action could be accomplished by a sale of 50 per cent of the shares in a corporations law company that was technically a subsidiary of ETSA and which had been created to hold the transmission assets. There would need to be an amendment to section 41A of the Law of Property Act to extend the present scope of easements in gross, e.g. to utility—

That is legal mumbo jumbo, the meaning of which only the member for Norwood would understand.

Mr Clarke: And he would charge.

Mr FOLEY: And he would charge us for it.

Mr Cummins: And handsomely.

Mr FOLEY: And handsomely, yes. The paper continues:

> . . . that a corporations law company in which ETSA and its joint venture partner each had a 50 per cent shareholding and which had articles of association that entitled ETSA to appoint the majority of board members (some of these may be with the advice and consent of the joint venture partner) would enable that company to be defined as an electricity corporation for the purposes of the ETSA Corporation Act 1994.

Is there no greater attempt at a rort than this? Is there no greater attempt at fraudulently manipulating the Parliament and the laws of this State to put in place a company that could then be half sold and reap the Government billions of dollars? Clearly, someone within Government was absolutely horrified by this prospect and leaked the documents to the Opposition. It was the Opposition that brought this to the public's attention and stopped the Minister and the Premier before they had an opportunity to put this in place.

The Hon. J.W. Olsen: That is absolute nonsense and you know it.

Mr FOLEY: The Minister may say it is nonsense, but I have a document dated 25 January 1996 informing the reader that this was the way to go. This was detailed work. Clearly, Crown Law officers have been involved, perhaps Parliamentary Counsel, certainly ETSA and other bureaucrats.

Members interjecting:

The SPEAKER: Order! I do not think members at the back of the Chamber should interject. It may distract the honourable member and he may speak longer.

Mr FOLEY: I wish we had Question Time at 8 p.m. every day; I would be in the good books. The reality is that a great deal of work had been done. The Government can say it is nonsense. The Government can say it is nothing more than an internal working document, but that did not stop the Premier yesterday from standing in this place with a working document of the former Government dated back in 1988, nearly a decade ago, trying to make it sound as though that was a decision of the former Government.

On one hand the Government tried to dismiss this as a working document, yet we had the Premier of this State yesterday trying to tell us that this document that he had was a definitive Cabinet decision. The Minister cannot have it both ways. For the purpose of this debate I see this document as a very timely reminder of the lengths to which the Liberal Party in this State will go to implement a privatisation agenda. If members do not believe me, they should come and read it. The member for Unley may be very interested in it, because I do not think that the electors of Unley would be too keen on the Government's putting in place an absolute rort to get around the established laws of this State.

Had this document not been leaked to the Opposition or made publicly available, this Government could have completed its work and we would have been none the wiser. We would not have had this rort exposed. We would have passed this legislation tonight without any amendment to stop this rorting and, lo and behold, in three months time off goes the Government as per this paper and establishes a bogus company, probably registered in the Bahamas or somewhere. It must cross some corporate law when it says that, with the consent of the joint venture partner, it will make sure that the publicly owned half of the company has the majority board members so that it is still an electricity corporation as defined by the Act, when we could have sold the half share of that business for a couple of billion dollars.

Whoever that person in the Government was who felt compelled to bring this to our attention can sleep easily tonight, because what he or she did has been of great service

to ETSA and to the public of South Australia, since we have an amendment to introduce that will stop this rorting. Whilst this is a major Bill, it is very thin: there is not a lot of detail in it. We have no difficulty with the vast bulk of the Bill. We are satisfied that the issues of staff transfers to the new corporation, salary transfers, wages and conditions have been dealt with. I will acknowledge that the Minister has consulted with the unions involved, and I appreciate that. That is the Minister's form, and I acknowledge that. He is certainly very ready to consult, unlike some of his colleagues.

In the amendment we will be moving during the Committee stage we have improved on the amendment that says that any sale of assets of an electricity corporation consisting of electricity generation facilities, whole or part of a transmission or distribution system, must come to both Houses for ratification. We have improved that to include a clause that will also prohibit the Government from the rort that I have just detailed to the Parliament, the rort that I exposed to the people of South Australia in recent weeks. A sizeable chunk of the amendment is attempting, where possible, to stop any major outsourcing of the management and operations of ETSA as we saw with the water supply system.

If we all recall, the great promises of the Government not to privatise water were nothing more than clever words since, after Bills had passed this Parliament, the Government outsourced the vast majority of the management and operations of the water supply system in this State. It will not happen to electricity—that is, of course, if the Government wants this Bill to go through. If the Minister is genuine that, first, he does not want privatisation; secondly, he will not outsource the transmission, distribution or generation operations of ETSA; and, thirdly, he is prepared to back up what he has already said tonight is a nonsense paper; and if he is prepared to rule out this share rort, this absolute con of a sale process, he will accept this part of the amendment that rules that out.

The challenge is with the Minister to rule out privatisation, to rule out major outsourcing and to rule out the 50 per cent sale of a bogus company established with the express intention of privatising half the transmission system. If the Minister is true to his word and can rule out those issues, these amendments can pass the House. The Government's Bill will pass this House, will pass in the Upper House, and the Minister will have achieved two major pieces of structural reform in this State: the electricity markets and the separation of the generation component of ETSA. That is the challenge. For anything less than accepting the ruling out of privatisation, the ruling out of outsourcing and the ruling out of a share float, the Minister will not get the support of the Opposition. It is as simple as that.

Members will have to negotiate in another place. They can crunch the numbers here, but they will have a battle in the other place. The Minister and the Government can sit here tonight and moan and groan and crunch their numbers, but someone has to fight for the retention of our State's assets. If this Liberal Government is prepared to abuse the State's assets, we are not. What we are about—

The ACTING SPEAKER (Mr Bass): Order! The member for Hart has the call and he will be heard in silence.

Mr FOLEY: Thank you, Sir. The Opposition sees the public ownership of our electricity generation, distribution and transmission as extremely important and something that we feel strongly about; the member for Unley and the member for Norwood may not. The marginal members for Mitchell and Colton and the marginal member for Hanson need to think these issues through. When they are out there doorknocking in 1997 when we have an election, they have to explain to people why they are prepared to support the sell-off, most probably to foreign interests, of our State's electricity. If members do not support the Opposition's amendments they are sending a clear signal that in words they will say they will not sell but in practice they will scheme, devise and find ways to get around the legislation. That is their form: that is the track record of the State Liberal Government. It will put a bit of window dressing in place; it will say, 'We won't sell it,' but then it will beaver away. It did it with water: it is working on it with electricity.

Members interjecting:

The ACTING SPEAKER: The member for Mitchell has the opportunity to speak. So does the member for Unley.

Mr FOLEY: I am glad that the member for Mitchell says that the water is not sold, because I look forward with vigour to campaigning in the seat of Mitchell before the next election, as I doorknock and explain to the people of Mitchell exactly what occurred with our State's water.

I will tell the electors of Mitchell, Unley and Hanson (although we will not need to put the effort into Hanson), and certainly Norwood; I look forward to helping Vini Ciccarello in Norwood. I will tell the people of the Norwood Parade that every time they turn on their tap the cash registers in France and London ring. So, for every dollar they pay in water rates, half goes off to England and half to France. That is what has happened with our water, and I am not prepared to see that happen with our electricity. I do not trust this Government. We in the Opposition do not trust this Government. We are not satisfied that the amendment as drawn by the Minister is anything more than window-dressing.

Mr Brindal interjecting:

Mr FOLEY: One and a half glasses of water. That is what you have done to the water since you have outsourced it. The French have put a bit of champagne into the water. I apologise to the member for Norwood if I am repeating myself, but it takes that kind of repeating to get into his head what has happened. In conclusion, we will not let it happen with electricity. It will not happen with electricity. If the Government wants this Bill to pass this Parliament, it had better think long and hard about our amendments and support them, and make sure that the spirit of Sir Thomas Playford is not destroyed by a Liberal Government. It will be a Labor Government that keeps the spirit of Sir Thomas Playford alive.

I for one do not feel any embarrassment or concern about standing up here tonight in this Parliament where 50 years ago Sir Thomas Playford did the very same thing in creating ETSA. The Labor Opposition is in here saving ETSA. I simply say to the Minister, let us work together on this one and get an unambiguous, precise amendment. Let us work together, not just for the people of South Australia now but also for the future generations of South Australians who will dearly want ETSA to remain as it is; and, dare I say it, even for Sir Thomas Playford. I am sorry, Sir: I am distracted again.

The ACTING SPEAKER: The member for Hart should ignore the goings on and complete his contribution.

Mr FOLEY: For simplification, I will call it the Foley-Playford amendment. It is the sort of amendment that Tom Playford would have moved had he been in this House tonight, to preserve ETSA as we know it. I urge all Government members to think carefully about it; let us keep ETSA in public ownership and let us not establish any rorts that will

enable the Government to sell ETSA six months from now without any reference to Parliament. Let us make sure that in 5, 10 or 50 years ETSA remains in public ownership. I urge members to support the Opposition in the Committee stage.

Mr CUMMINS (Norwood): It is interesting that the member for Hart is referring to Playford, because his economic mentality is roughly in the 1930s. That is probably when I would place it, so it is appropriate that he should mention Playford. Interestingly enough, his Federal colleagues totally disagree with him, as does the former Premier of this State, Lynn Arnold. We know that Lynn Arnold signed off on the Hilmer report, which was the basis for the Industry Commission report and the Federal national competition legislation. Where did the national competition legislation come from and who put it through the Federal Parliament? None other than our little mate Keating. Here the member for Hart is attacking us when he knows full well that what we have to do comes from the Labor Party's national competition policy.

I can tell members that, when the member for Hart is going around the electorates, knocking on doors and blaming us, I will be walking behind him knocking on the doors and saying, 'A hypocrite has just knocked on your door. I have come to tell you the true story; this legislation came from the Labor Party's national competition policy legislation of 1995. If you want a copy of the Act, I will send it to you.' That is where this stuff comes from. That is why we had to do what we did with water.

I am here now to talk about the substance of this Bill, unlike the member for Hart, who obviously did not understand the Bill. I will talk about the Bill rather than repeating myself 10 or 20 times. Will the honourable member please tell me where he is getting that water from, because I want some? It looks pretty good to me and it has a great effect on him. With regard to this legislation, and unlike my friend, I use the word 'separation', not 'disaggregation'. I do not want to be too sophisticated here. It is complex legislation. He picks up these words and uses them, but he does not understand what they mean. It means separation into little units. That is what it means; perhaps I can explain it to the member for Hart, in case he does not know.

This legislation, which has my total support, provides that ETSA cannot be sold without reference to this House. There is some debate about the wording of the legislation. One thing that the member for Hart said amused me. He said that we must retain the distribution pattern. He did not use the correct word, but I presume he meant that we must retain the transmission networks. I might tell him that electricity has been privatised in Victoria, which has retained the transmission networks. This is the level of the knowledge of the man in relation to this legislation. We know that the transmission network—the poles and the wires—is a natural monopoly. If you want competition within the meaning of the concepts of the competition policy, you cannot possibly sell the transmission network, because if you sell that to someone they have a monopoly over the network.

Members interjecting:

Mr CUMMINS: I am talking about complying with the national competition policy, which you obviously did not understand. You were worried that we would sell the transmission networks. I am telling you that if that is owned by one individual company and they did not grant access—which they would not do, obviously, because there would be no point in buying it if they granted access to other people—they would be in breach of the competition policy. It is fatuous for the honourable member to say what he said. As I pointed out, even in Victoria, Kennett in his wisdom did not sell the transmission networks. Obviously they would never be sold for the reason I have just described.

Mr Foley interjecting:

The ACTING SPEAKER: Order! There have been enough interjections. The member for Hart had his opportunity to speak, and there were some interjections. There have now been enough interjections from both sides and the speakers will now be heard in silence.

Mr CUMMINS: It is clear where Labor members stand in relation to this fear of privatisation. They are obviously the running dogs of the Australian Service Union and the United Trades and Labor Council. If members look at page 97 of the Industry Commission report, what the member for Hart has been saying is precisely the position that those two groups put to the commission. They are just basically acting on instructions from their master, and that is what has been put before the House tonight.

Mr Brindal interjecting:

Mr CUMMINS: As the member for Unley says, as soon as you put a few arguments to the member for Hart, he runs out the door. He is probably going out to get some reinforcements—I do not know. Perhaps he is going to get some more water. The member for Unley asked me to talk tonight on the renaissance. I did not think it was appropriate, but instead I am talking on the renaissance of ETSA, and that is appropriate, because this will be the renaissance of ETSA. It will serve South Australia well.

Mr Brindal: You had better explain what the renaissance was!

Mr CUMMINS: No, I will not do that. It started in the 1420s in Italy, and then extended to Europe. We know the existing structure in respect of ETSA's generation and transmission of power and energy. There was some debate before the commission as to whether or not this would comply with the exclusive dealing provisions of the Trade Practices Act. The Bill proposed by the Minister covers that problem. There is certainly a problem under section 47 of the Trade Practices Act in relation to vertical arrangements in corporations, and that can adversely affect competition.

It would be possible under the previous structure—and this is why it is important that it is changed—for vertical arrangements to involve exclusive dealings between the various sectors we are talking about, namely, generation, transmission, power and energy. This legislation covers that problem, because it proposes that exclusive dealings between the organisations set up under it are not possible, and that clearly complies with competition policy. However, I believe that, under the previous provisions, despite certain submissions made in the commission—

Mr Clarke: Say it with a bit of passion, for God's sake!

The ACTING SPEAKER: Order! I will not speak to the Deputy Leader of the Opposition again.

Mr CUMMINS: The Minister is to be commended for the approach he has taken on this Bill and the changes he proposes to ETSA's structure, because it now clearly complies with the Part IV provisions of the Trade Practices Act, and that is critical if it is to comply with competition policy.

One of the most fundamental and important things about this legislation and the structure we are using, as has been pointed out by the Minister, is that there will be a wholesale electricity pool. There is absolutely no doubt as a matter of

commonsense that that must result in a reduction of prices. There were some questions from members opposite as to whether or not that would affect the cost of supply to the purchaser at the end, namely the householders. It is patently obvious that it must. If you are selling your electricity into a pool and you are taking your top price, and the top price sells last, and the person who is at the lower price sells off first—and in that case they will sell to ETSA and perhaps big manufacturers who can afford to buy into the pool and have that sort of demand—it is patently obvious that, if the generator generates a supply of electricity and they can put into the pool a price that is lower than that of the other people who are putting into the pool, the price must fall because the others will eventually be forced to become more efficient to reduce their price so they can compete with the person who is getting the volume of business. So, there is absolutely no doubt that, when ETSA gets the cheap electricity, that saving will be passed onto the consumer, namely, all of us in this place and the public as well. That is the beauty of this system.

I am amused by what the member for Hart said. We are going into a national grid. New South Wales fundamentally has a similar structure to ours. In Victoria Kennett has privatised the supply of electricity. The difficulty for us is that, if we do not make ETSA efficient, once we go into the national grid, ETSA will simply cease to exist, because ETSA will not be able to compete. Members opposite are here allegedly protecting the people of South Australia, and presumably they are here protecting their union mates, to whom I have referred, who made submissions before the commission.

Mr Foley interjecting:

Mr CUMMINS: We know what your unions wanted. You are so naive that if you do not support the thrust and intent—

Mr Foley interjecting:

The ACTING SPEAKER: Order! I will not warn the honourable member again.

Mr CUMMINS: If you do not support the thrust and intent of this legislation once we go into the national grid, and if you put constraints on the future restructuring of ETSA which prevent the efficiencies that will enable ETSA to be price competitive in the pool, you will destroy ETSA and ensure that every one of its employees loses their job. That will be the effect of the sort of 1930s mentality that the member for Hart has been putting to the House tonight. It is a real worry to hear the Opposition's lead speaker coming up with the claptrap that we have heard from him tonight. It should also be a real worry for the people of this State when he is the lead speaker for the Opposition in this House.

Mr Clarke interjecting:

Mr CUMMINS: The member for nothing. Earlier the member for Ross Smith asked a question about where the lady who cooked the chook could ring to get a discount. This is another indication of the level of the debate on the other side, because I think he actually asked that question in all seriousness. It is a real worry and is even worse than the member for Hart's contribution, but I have answered the question. The answer is simple: if ETSA can get the supply at the lower price, then the benefits and savings will be passed on to the lady cooking the chicken. I am concerned about the hypocrisy of the other side in this matter, not only in this House but in statements outside it. The Leader of the Opposition is now present: he has been making public statements about an agenda for privatisation. His hypocrisy relates to the fact that whatever happens in relation to ETSA and water goes back to Hilmer and competition policy.

In any event, this legislation has my support because, at the end of the day, there will be cost savings for consumers in Adelaide. Without the legislation and without the structure being put forward by the Minister, we would be in breach of national competition policy and we would be in jeopardy of losing $100 million over 10 years at $10 million per annum. We have no choice but to comply with what the commission has said.

Mr Brindal: Who put the gun to our head?

Mr CUMMINS: The answer is simple: the former Labor Government under Lynn Arnold signed off on Hilmer and Paul Keating, as we know, was behind the national competition policy. There is one thing I can say about Paul Keating and I will say it tonight: he is the greatest friend big business has ever had in the history of Australia because, with his national competition policy, he has given a licence to big business to have a go at every Government business enterprise in this country and have a good go at trying to take over this country. We can thank the Labor Party for that and we can thank the greatest capitalist this country has seen—Paul Keating. What more do I need to say?

The Hon. M.D. RANN (Leader of the Opposition): I speak to the Bill because it is of great importance to the people of South Australia. The continued ownership and control by the public of South Australia of the Electricity Corporation is fundamental, in our view, to the future of this State. It is precisely this protection of the present public ownership and control of the Electricity Corporation that the Opposition's amendments to the Bill will ensure. The Opposition and the people of South Australia know only too well that the agenda of this Government is to put the control and operation of fundamental public utilities into the hands of private foreign corporations. We know all about the clause of the Bill that rules out wholesale privatisation of the Electricity Corporation, but we also know the track record of this Government in playing with words, particularly 'privatisation' and 'outsourcing'.

This Government lied to the people when it said it had no plans to privatise or outsource South Australian water. We know the Government's track record when it comes to words like '60 per cent Australian equity'. This Government lied to the people when it said that our water supply would be run by South Australians and not by foreign interests. We know the track record of this Government when it comes to words like 'transparency' and 'accountability to Parliament' and we know the track record of the Minister for Infrastructure, in particular, playing with words like 'privatisation' and 'outsourcing'.

We know his promises, which he neither understood nor can now honour on Australian ownership of SA Water; we know that he has led the Government, together with his rival the Premier, in avoiding the scrutiny and debate of Parliament; we know how much he prefers to spend up big with taxpayers' money in glossy advertising rather than giving the people of South Australia their right to say about what should happen to their public assets such as their water system.

They were not prepared on the water system to go to the people at the last election and tell them what they had in mind—they were not prepared to do that. They were not prepared to test it in the Parliament; they were prepared to spend tens of thousands of dollars on opinion polls out there in the community to test the attitude of the public of South Australia to the privatisation and outsourcing of SA Water.

But, of course, they did not have the guts or the gumption or the decency to release the results of those opinion polls.

Very interesting, Mr Acting and future Speaker. Yesterday we saw the Premier release what he said were confidential Cabinet documents. They are prepared to do that even though they were not confidential, but they are not prepared to release the results of an opinion poll about what South Australians feel about the foreign ownership of important public assets.

The Opposition will be putting forward amendments—as my learned colleague has said tonight; we call it the Playford amendment—to guarantee the hoax the Government has perpetrated upon this Parliament and upon this State with our water systems cannot happen with the Electricity Corporation. There will be no play with words that will again allow this Government to go behind the backs of this Parliament to effectively privatise major public assets. As I have said before, there was no debate or vote on the water contract in Parliament. The people and the Parliament have not seen the contract. This is despite the fact that the Government and the Minister for Infrastructure spent November 1994 denying that the Government would privatise the management of SA Water when it was, in fact, making these plans behind the backs of Parliament and behind the backs of the people of South Australia.

When the Opposition asked questions in the Parliament about whether the Government would outsource functions of the EWS, this Minister said:

> No report or recommendation has been put to me that we should outsource the functions of the EWS. That is arrant and absolute nonsense.

That is what he said. He went on:

> The simple fact is that we will not be putting the whole functions of the EWS privatised or managed or outsourced to a particular international company. That is not the objective of the Government and we have consistently said so.

That is what this Minister said in this House and we know that he not only misled this Parliament but also misled the public of this State. That was on 15 November 1994. Less than three weeks later, the same Minister announced, after the close of Parliament, after this place had shut down for the recess, that it would privatise and outsource the operations of Adelaide water. That is the contempt of this Minister and this Government for public opinion and that is why he has not got the guts to release the polls.

The ACTING SPEAKER (Mr Bass): Order!

The Hon. J.W. OLSEN: Mr Acting Speaker, I draw your attention to the relevance of the debate of the Leader of the Opposition to the Bill before the House.

The ACTING SPEAKER: Order! I do consider that you seem to be talking a lot about water. I presume you will bring it back to the Bill in question.

The Hon. M.D. RANN: Absolutely, Sir. I am trying to establish the veracity, honesty and truthfulness of this Minister and his Government about the privatisation of the other substantial public assets that did not come before this Parliament. Again, the Minister said, as he is now saying, 'No intentions to privatise ETSA.' He said the same thing about outsourcing and privatisation of water.

The Hon. J.W. Olsen: We have not privatised water.

The Hon. M.D. RANN: Okay. We saw what the Premier had to say yesterday. We know what the Minister wants in terms of cooperation with the Labor Party on these Bills. He is dead out of luck. It is a sad day for our State when our Government behaves in such a manner. This Opposition will not allow it to happen again with this Bill.

The Opposition and the people of South Australia know of the penchant, to use the French word, of the Minister and the Government for delivering control of South Australian public resources into foreign hands. Tonight I will lay a few foundations and a few fundamentals on the table in this House for every person to see. I and my Party believe most strongly in the ownership of fundamental public assets by and for the people of this State. In my book, nothing is more fundamental than the ownership and control of our electricity supply.

Let us remember that this year South Australia celebrates 50 years of the Electricity Trust of South Australia. Let us remember that this year we celebrate 100 years since Sir Thomas Playford's birth. Various events are planned for later this year to celebrate the Playford centenary; various events are planned for later this year to celebrate the fiftieth anniversary of ETSA, which was established by former Liberal Premier, Sir Thomas Playford. He believed that it was essential for the State's long-term interests that electricity generation, transmission and supply be owned, operated and managed by South Australians under public ownership. Sir Thomas Playford was right—

Mr Brindal interjecting:

The Hon. M.D. RANN: The member for Unley says that Sir Thomas Playford was right 50 years ago but not right now. I believe he was right 50 years ago and his vision is still right today. ETSA must remain under public ownership: ETSA must not be privatised. I know—and this is where we get to the nub of the issue—and the Minister knows that this Liberal Government wants to privatise ETSA. Work was done—

An honourable member interjecting:

The Hon. M.D. RANN: Okay, let the truth come out now. Work was done late last year to lay the foundations for the privatisation of parts of ETSA. This work was undertaken in the Minister for Infrastructure's own office, in the Crown Law office and within the highest echelons of ETSA itself. The Minister wanted to take on the issue early this year, but his Premier and his political colleagues told him to back off following the tremendous public backlash over the outsourcing of water to French and British interests. So, a new strategy was forged. That strategy runs like this—

Mr Brindal interjecting:

The Hon. M.D. RANN: This information did not come from the member for Unley—not on this occasion. The strategy runs as follows. In 1996 the Brown Liberal Government will put through a Bill that disaggregates ETSA. The public will be told that this is consistent with national competition guidelines established under the Hilmer report and agreed to by all State Governments. That is what the public has been told, that is what the public is being told and that is what the public will be told. I am not suggesting there is anything particularly wrong about disaggregation *per se*, but we know that disaggregation under the Brown Liberal Government is and will be a precursor to privatisation.

After disaggregation, and after the break up of ETSA into its various component parts, we will see the piecemeal outsourcing of ETSA functions into the private sector. The main game for the Liberal Government, if it wins the next election and if it gains control of the Upper House, is to fully privatise ETSA after the election. If the Liberals do gain control of the Upper House, ETSA will be privatised. A Bill will be whacked through the Parliament straight after the

election and we will see the various component parts of ETSA sold off to foreign interests. There will be short-term gain in terms of the several billion dollars that the State will receive from selling this important public asset, but the long-term consequences are disastrous for consumers, for industry and for the future of this State.

The Brown Government is so committed to selling off the family farm that now it wants to lease out and then auction off the State's Crown jewels, and there is no bigger jewel in the Crown, in my view, than ETSA. As Don Dunstan said last weekend, the great Sir Thomas Playford would turn in his grave. If there is a State election in March or April next year, that will be a signal to all South Australians that ETSA will soon be put up for sale. It will be a signal to all South Australians that private ownership of ETSA is on the cards, that foreign ownership of ETSA will occur. I am not surprised that this Bill is being rushed through without the usual notice and consideration. That is why the Upper House will be so crucial in putting in amendments to stop the privatisation of ETSA. The Premier signalled yesterday what he thinks—

The Hon. J.W. Olsen: Stop grandstanding with no substance.

The Hon. M.D. RANN: Hang on! Just shut up. You shut up for a minute.

The ACTING SPEAKER: Order!

The Hon. M.D. RANN: You are the one who misled this Parliament. You are the one who misled the people—

Members interjecting:

The ACTING SPEAKER: Order! This is not going to be a slanging match while I am sitting in this chair.

The Hon. M.D. RANN: Talk to him! I have got the call.

The ACTING SPEAKER: Order! I said 'Order!'. When I say 'Order!' I expect order and I expect you to be quiet while I address the House. I suggest that you do that if you want to stay in here and finish your debate. I will not have a slanging match while I sit here. The Minister is totally out of order and so is the member for Mitchell.

The Hon. M.D. RANN: Thank you, Sir. I am pleased that his interjections were noted.

Mr BRINDAL: I rise on a point of order. I do not know whether you heard it, Mr Acting Speaker, but I clearly heard the Leader of the Opposition suggest that the Minister misled the House. That is a most serious statement and I believe it reflects on the Minister and the House, and the honourable member should be required to withdraw it.

The ACTING SPEAKER: Order! I did not hear that of recent time and the point of order has to be made at the time the comment was made, and it was not made then, as far as I can recall.

The Hon. M.D. RANN: Thank you, Sir. As I say, I am not surprised that this Bill is being rushed through without the normal notice and consideration. That is why we will make sure that the Upper House gives adequate, total, serious scrutiny to this Bill. We will put in amendments designed to toughen up any chance of privatising ETSA, because that is what this Government is on about. That is why it wants an early election in March or April. That is No. 1 on its agenda and we will make sure it is No. 1 on the agenda.

South Australians do not want foreigners to run our electricity supply. The Labor Party is totally opposed to the privatisation of ETSA and it has always been opposed to the privatisation of ETSA. We will fight the privatisation of this critically important public asset in this Chamber, in the Upper House and in the community, and the Minister had better see his mate the Premier and tell him that, if he wants cooperation for the passage of Bills, it will be done on the basis of real cooperation, not fraudulent abuse, not dishonesty, by the Chief Executive of this State.

Mr CLARKE (Deputy Leader of the Opposition): I support the comments of the Leader and the member for Hart on this legislation. I am somewhat amused by the interjections of the member for Mitchell and others who say, 'On the issue of privatisation, do not worry about it because it is already covered in the Bill, under the anti-privatisation clause.' Are we not in a sorry sort of state if, in so far as this major public utility is concerned, and where all major political Parties are interested in keeping it in public ownership, the Liberal Government feels the need to state the obvious through a specific provision in the Bill that it cannot be sold without a resolution carried by both Houses of Parliament?

In the days of Sir Thomas Playford, Don Dunstan, the Steele Hall Government or the Tonkin Government, such a provision relating to ETSA, a statutory authority before it was corporatised, would have been undreamt of because it had bipartisan support going back 50 years, as the Leader of the Opposition pointed out. The power utility is far too important to this State to ever risk its being privatised.

The fact that this Government has felt the need to put in the Bill such a provision tells us a number of things: first, that it recognises that with respect to its actions in relation to SA Water, technically the assets were not sold to the French and British consortium but the whole of the management and control of that organisation has gone across for the next 15 years to a foreign consortium, and it knows that it is not popular and not what the people of South Australia want. Hence, this Government will not even release a public opinion poll commissioned by the Government to look at ways of selling what is, in effect, the privatisation of water to a British and French consortium.

Mr LEWIS: On a point of order, Mr Acting Speaker, the measure before the Chamber at this time concerns the arrangements for the management of the supply of electricity in this State; it has nothing to do with water, and I ask you to rule accordingly, Sir.

The ACTING SPEAKER: I accept the point of order and ask the Deputy Leader of the Opposition to direct his remarks to the Bill that we are presently debating.

Mr CLARKE: I am coming to that and I would have thought that the veracity of the Government in this whole issue is the critical point in this debate. I can understand the member for Ridley's being nervous on this point, given that he is under preselection threat from within his own Party in the seat that he wishes to contest at the next State election. However, dealing with the specific Bill that we are debating tonight, the Opposition is putting forward an amendment which this Government (if it is to be believed and if its word is to be taken as its bond) should readily accept, because the acceptance of the amendments moved by the member for Hart will do a number of things.

First, ETSA will not be able to be sold nor will any of its assets. Secondly, the type of duplicitous deal that was done in so far as SA Water was concerned will not be allowed to occur, that is, the outsourcing or contracting out of the management and control of ETSA to a private concern will not be able to take place. Thirdly, the leaked document, to which the member for Hart referred—the working document, according to the Minister, on which so much Government

time has been spent in looking at ways of how to sell ETSA without having to take it through both Houses of Parliament—could not be given effect, by the methods described by the member for Hart earlier this evening. If the Minister and the Government are sincere and dinkum with respect to their protestations concerning ETSA into the future, it would accept the amendment of the member for Hart's amendment, because it does no more than give legal effect to what they have said is their intention with respect to ETSA.

Mr Brindal: If we do not?

Mr CLARKE: If the Government does not, as the soon to be Independent member for Unley points out, accept the Opposition's amendment, we then smell a giant rat because then we will know what is the Government's true intention, namely, to do an SA Water deal, which is the very thing that the people of this State do not want, have opposed since its inception and they will show that at the ballot box at the next election. However, we are not prepared to wait until the next election to secure the future of ETSA because once our assets are sold or are handed over in a management form to a private concern for 15 or 20 years, it is too difficult to unscramble the egg once it has been broken. So, it is our intention that, unless this Government gives the sort of rock solid guarantee—not a John Howard rock solid guarantee on wages and working conditions for workers, which has proved to be such a marshmallow—in legislative form, I suspect that the Minister will not get the legislation through and that will be on his head.

We do not believe that there is any need for the separation of ETSA. I do not believe that the Government believes it is necessary to go down that route, but it is being forced to do it because of the Hilmer report and pressure from Federal Governments, both the former Federal Labor Government and the present Howard Liberal Government because, in my view, both Governments have been myopic with respect to that issue and, in particular, not taking into account sufficiently the interests of South Australia. I do not necessarily blame this Minister or this Government for having to bring in legislation to separate ETSA along the lines outlined in this legislation, because of the pressures put upon a small regional economy such as South Australia from Canberra and from the larger States, which do not have the interests of South Australia at heart. However—

Mr Brindal interjecting:

Mr CLARKE: The soon to be Independent member for Unley talks about 36 beating 11 every time. Yes, that is quite true, but down the corridor 11 beats 10 every time.

Mr BRINDAL: Mr Acting Speaker, I rise on a point of order. Standing Order 120 specifically forbids a member from referring to any debate in the other Chamber or any measure impending in the other Chamber. I have heard not only the Deputy Leader but several members tonight threaten this House with another place and I think that is quite out of order.

The ACTING SPEAKER: I ask the member to be aware that you do not refer to 'down the corridor'. It is in the other place, but I do not think that any threats were meant.

Mr CLARKE: Thank you, Sir. On that point, this legislation is not before the other place at this stage.

Mr Brindal interjecting:

Mr CLARKE: In any event, it may not pass in this House, in theory—

Mr Brindal interjecting:

The ACTING SPEAKER: Order! I ask the member for Unley to be quiet while the Deputy Leader has the floor.

Mr CLARKE: —so one can hardly say it is impending. That is for the edification of the soon to be Independent member for Unley. The other point with respect to this legislation is—and the Minister has only himself to blame—that, basically, we on this side of the House used to trust this Minister. When this Minister got up during the debate in November of 1994 on the corporatisation of ETSA I, together with a number of other of my colleagues, listened to his answer on the question of outsourcing of SA Water through its corporatisation. When the Minister alluded to the fact that there would be some outsourcing, what he was alluding to was there might be a bit of outsourcing of the odd mechanic, water meter reading or something of that nature, but not the wholesale giving over of the management and control of our water system. I might say that we have only ourselves to blame for that. The fact is we should never have trusted a Liberal Party Minister's word for anything.

In my first 11 months in this Parliament I was taught a very valuable lesson and that is, never accept the word of a Liberal Minister on any piece of legislation. It is a matter, which, if is not in writing or in legislation, then do not accept their word. We all know that Ministers come and go, as we witnessed in only December of last year with respect to two Ministers who departed the front bench. It instilled in me a virtue, which I learnt as a trade unionist but to which I thought I did not have to have regard to the same extent in this Parliament, by saying, 'Look, I do not care what your word is, I want it in writing, in legislation; not just an exchange of letters, but I want it in legislation because we cannot trust you in these areas.'

Unless the amendment put forward by the member for Hart or something with the same intent, although perhaps the wording may be different if the Minister has any views on making it more effective, is accepted, we will simply insist upon our rights in another place. If that thwarts the Government's views with respect to the split-up of ETSA, so be it, and so be it until hell freezes over.

As the Leader of the Opposition has so eloquently put it, the Labor Party believes in public ownership and the retention of the management and control of our major public utilities. The wool was pulled over our eyes with respect to water to our great chagrin and everlasting regret. We will never allow that to occur again when we have the ability to stop it. This Minister and Government had better get that firmly fixed in their mind and wait. Members can argue all they like with respect to this matter, but unless the Government accepts the member for Hart's amendment or something identical to it, although the wording may be slightly different, that will be it. The line has been drawn in the sand, Minister. You may be a friend of the French and of the Poms in terms of handing over our public utilities to them, but we are not, and they will stay in South Australian hands.

Mrs PENFOLD (Flinders): Despite what the member for Hart and the Leader of the Opposition said, I believe that Tom Playford was a smart and practical man with the real interests of the people at heart, and I suspect that he would have supported this Bill wholeheartedly if he were in this place at this time. Members will have read the *Advertiser* of Monday 27 May 1996—

Members interjecting:

The ACTING SPEAKER: Order!

Mrs PENFOLD: —when Greg Kelton revealed that there would be 'cut-price power over the phone.' He was telling consumers in South Australia that the introduction of a national electricity market would bring all sorts of opportuni-

ties for electricity consumers. The paper, in the same edition, cleverly linked the new power strategy to participation in the AFL by Port Adelaide Football Club. Greg Kelton's article was in response to an announcement by the Minister for Infrastructure that he would be introducing a number of Bills into Parliament relating to the national electricity market and, in particular, the Electricity Corporation (Generation Corporation) (Amendment) Bill.

The genesis of all this activity in electricity results from a far-reaching examination of competition policy undertaken by Professor Fred Hilmer which has yielded new Federal legislation relating to competition law and the creation of two important institutions in Australia, namely, the Australian Competition and Consumer Commission and the National Competition Council. Running in parallel with this enlightened approach was a series of meetings of Heads of Government in Australia, under the auspices of the Council of Australian Governments, which resolved to apply competition principles to the electricity industry.

It is a significant fact that in other jurisdictions considerable reform of the electricity industry has occurred. Unless members have taken special interest, it may be a surprise to some to know that the Queensland Government created an independent generation corporation as a Government enterprise with powers to manage the Government's entire investment assets in electricity generation as well as the ability to participate in the electricity industry elsewhere in Australia and overseas. This was done three years ago.

More recently in Victoria members may have read about the privatisation of the industry following a disaggregation of the power stations and distribution functions of the State Electricity Commission of Victoria. I should put members' minds at rest immediately by reinforcing the commitment made by this Government on many occasions that consideration of this generation corporation or any other structural reform for ETSA is not—I emphasise not—a forerunner to privatisation in South Australia.

The Victorian disaggregation has been undertaken in light of competition principles to be applied to the industry even though the Kennett Government has had other drivers for its reform agenda, including the retirement of mammoth debts in its accounts. New South Wales has been a more recent starter in this structural reform, but members may know that, before the creation of Pacific Power, the Electricity Commission of New South Wales had responsibility only for generation and high voltage transmission. In this case the responsibility for distribution and retail activities was managed by local government utilities. South Australia has been linked by a 275 kilowatt transmission line to Victoria since 1990, and the link between New South Wales and Victoria created with the development of the Snowy Mountains scheme means that we have an interconnected network in south-eastern Australia that extends over very large geographical distances.

This interconnected network has provided the nation with a chance to build a national electricity market and to enable customers throughout four jurisdictions, including the ACT, to receive the benefits of scale and the choice of supplier of their electricity needs. For five years now the industry in Australia has been developing a means by which this national electricity market can be implemented. This is achieved by the establishment of very clear guidelines of operation for all participating members in the industry and through detailed specifications and market guidelines spelt out in the National Electricity Market Code. For each of the jurisdictions involved with the development of the national electricity market there must be agreement with each other that their participation is fair and equitable and that utilities will be operating on a level playing field basis.

In this context the Minister has advised me and has stated publicly that the industries in jurisdictions with which ETSA Corporation would be trading in the early days of the market would not be satisfied with the existing subsidiary structure for ETSA Corporation. This position was clearly untenable, and the Government undertook to have the Industry Commission carry out a review of the electricity industry in South Australia with a view to determining the optimum structural arrangements. In March this year the Industry Commission reported to Government with a recommendation that restructuring could be achieved in two stages, and I quote from this research report as follows:

> Firstly, as soon as it can be arranged, ETSA Generation and ETSA Energy, together with system planning and control, should be transferred from ETSA Corporation to form:
>
> i. stage 1, a generation and energy enterprise; and
>
> ii. a system planning and control organisation.
>
> Secondly, stage 2: ETSA Power should be divided into two or three distributor-retail GBEs, subject to an examination of the most cost effective way of dividing the distribution network. ETSA Transmission should be established as a separate business. In the event the examination in stage 2 does not identify a cost effective way to divide the distribution network, ETSA Power's retail activities should be transferred to two or three independent retail businesses.

The Government has decided to proceed with the stage 1 recommendations, but—and this should interest the member for Hart—to reject stage 2 on the basis that it does not seem economical or cost effective to proceed at this time. The Bill before the House permits the separation of generation from other functions of ETSA Corporation. The Generation Corporation will be offering its output to the national electricity market pool and will be competing with power stations around the interconnected network in a free market environment. Members will be asking what implications there are for constituents from all this change to what seemed to be a stable and efficient industry in South Australia managed by ETSA Corporation.

In particular, I am sure that, like the member for Hart and Torrens, with their amazing new found concern for country people, members will be asking whether the protection that has been provided to rural consumers will continue under these new arrangements. Let me assure members that the Premier and the Minister for Infrastructure have both reinforced the policy that has been prevailing in South Australia that there will be uniform pricing for consumers regardless of their geographical location in this State.

It is of no surprise to anyone to know that the cost to deliver electricity to Eyre Peninsula is significantly more expensive than it is to deliver it to a domestic residence in Adelaide. Members may therefore be concerned that the pricing parity policy might not be sustained in the future. We have made absolutely clear in all the negotiations with the National Grid Management Council and other jurisdictions that we will apply the parity principle despite the introduction of the national electricity market.

So, what about the benefits. Who will benefit in South Australia? I take members back to the comments I made earlier today. It has become an accepted argument of all persuasions of political power in this country that reform in public sector monopolies is a necessary ingredient to improve economic efficiency. This was a substantive tenet of the

Hilmer report: competition would ensure that the lowest possible price would be achieved in any market. Applying this in the case of electricity, we have already seen in South Australia substantial real reductions in prices which have been announced over the past three years. ETSA Corporation has continued to improve its productivity by a whole range of initiatives, including better utilisation of its assets and major reductions in operating costs associated with production. Much of this improvement at ETSA has arisen because of the threat of competition as opposed to the actual competition itself.

With the introduction of the national electricity market, the separation of the generation corporation and challenging targets set by the Government as owners, we will continue to see improvements made in all areas of its business. With respect to the parity pricing policy, I can provide members with a further assurance that the State will have its own regulatory arrangements which will control the level of prices that constituents will see on their electricity bills. The new national electricity market will provide the option in the future for customers to have the choice of who supplies their electricity, but they will have the comfort of knowing that the cost to transmit the electricity over the high and low voltage transmission lines will be subject to constant review by the Government of the day.

South Australians can be proud of ETSA's achievements. It has managed its affairs well by looking after customer's interests (particularly the pattern of pricing in recent years) and its financial commitments to the State by providing adequate returns to Government, thereby allowing social programs to be sustained. These new initiatives from ETSA will provide a further plank for the continuing support of South Australian industry and individual customers, including those located in our country regions.

Mr LEWIS (Ridley): My purpose in entering the debate this evening is to do two things in broad category. First, I wish to expose the inane position taken by the Opposition. The Opposition's position is inane because it flies in the face of what their former Government colleagues in the Commonwealth Parliament made as a national policy prerequisite for the drafting of this legislation. The Hilmer report and COAG policy require us to do this to ensure that there is a nationally competitive market for electricity where the main players need to compete with one another in the supply of generated power, the reticulation of high tension power and, finally, the breakdown of that high tension power into its retailing to consumer units.

It is not possible for the Labor Party on the one hand to argue in the Federal Parliament that this is in the national interest and then on the other to say that it is not in the community's interests here in South Australia. Whatever the case, whatever the merits of the national argument, the fact is that the direction in which we are going; the community has accepted that general direction. Change is inevitable; it is occurring. At this point let me make clear for the benefit of those who are interested and for the record that I am and have been for many years a member of the Electricity Supply Association of Australia (ESAA). I have been to many of the national conferences over the past decade at which these ideas, along with other contending ideas that did not make it, have been promulgated and explained.

If we wish to continue to participate on the terms that are agreed by the other States in the Federation and by the Federal Government itself, it is vital for us to enact this legislation to provide, so far as is possible, for the benefits to be derived from separating those interests that were part of a monopoly conglomerate into a corporatised structure such as the legislation envisages and, in the process of doing so, make the operations of each of those corporate functions transparent to the marketplace and anyone in the community who may be interested to note it. It will enable us thereby ultimately to give our larger corporate customers (I mean, by that, the large users) the power to compete with people, enterprises and corporations using electricity or energy in their production cycle interstate. Through the means provided by this legislation, they will be able to buy large packages of electricity. It will create for the rest of us as retail buyers from distributors the means by which the domestic retailing organisation can purchase ahead of time what is known as 'base load', with whatever variations are imposed on that by the incidental climatic variations in the weather day to day, even hour by hour.

Having made that point, I refer to some of the innovations that will be facilitated by this policy. There will be greater opportunity, for instance, to provide incentives for people to use low energy technology and therefore get demand shift. We can do that in two ways. One is through a freer labour market, and so on, encouraging people to shift their domestic daily habits from at present, when we have a peak in the use of electricity when everybody gets out of bed in the morning. They switch on lights and electrical appliances to warm their homes, cook their breakfast and make their coffee; there is a sudden peak in demand. The same thing happens at the time of the evening meal, when there is a sudden peak in demand. By spreading the hours during which people can start and finish work by arrangement with their employers, we will spread that demand across a greater number of hours and thereby make more efficient use of the existing capacity of generation reticulation.

Through the marketing organisation we can also encourage people to buy energy efficient lighting systems, such as the rare earth filament lighting bulbs which use much less electricity and which have a much longer life than the present wire filament bulbs which generate more heat than light and thereby, since that is not in the visible spectrum, waste electricity. There are a whole lot of other means by which we can spread demand and by which the generating or high tension reticulation components in the marketplace can give an incentive to spread that demand.

Equally, through the mechanism contained in these related Bills, particularly this one, we can enable people who are in the business of producing heat to do so and use the excess heat to generate electricity and sell it to the grid. That further extends the useful life of existing generating capacity without requiring us to invest as a society through these corporations a greater amount in generating equipment for the purpose of meeting growth in the total demand of the market.

But for us in South Australia there is an even greater benefit—and this is the second point I wish to make. It is predicated on the capacity of industries which generate heat to engage in cogeneration and use the excess heat for electricity generation and sell it to the high tension grid. South Australia stands on the threshold of a very exciting mining and mineral production development called SASE. Briefly, that entails digging the coal in the State's Far North, near Coober Pedy, the Arckaringa Basin, Lake Phillipson, and so on, along with the iron ore at Hawks Nest and turning that, in the first instance, into pig iron, but more particularly, with the submerged lance process, turning it straight from

iron ore into mild steel. That will generate an enormous amount of excess heat, which otherwise would simply be lost to the atmosphere and wasted.

However, given that there is now to be a free market in electricity, that corporation or syndication of corporate interests which developed the South Australian iron ore, steel and energy program in our northern desert regions between Tarcoola and Coober Pedy will be able to sell to the national grid that excess energy in the form of electricity. That will be to the eternal benefit of people living on Eyre Peninsula, particularly the communities represented by the member for Flinders. They can expect through market competition to have power if not cheaper than the rest of us then at least as cheap as anyone anywhere in Australia, because it will cost less to get it to markets in the Eyre Peninsula region than to transport it long distances in the high tension grid to markets elsewhere in the east.

There is no doubt at all that offers will be made to other industries which are substantial users of electrical energy to locate themselves in close vicinity to that plant. Indeed, anyone planning an enterprise which is a large user of electricity will be well advised—and, I am sure, advised by this State Government—to locate itself on the West Coast of Eyre Peninsula so that they can get access to that cheaper electricity. There are no dire or undesirable consequences for South Australia by passing this legislation and establishing this new framework through which it will be possible for South Australians to get a competitive edge that we have never had before.

If we do not pass this legislation, it will not be possible for us to enable cogeneration from the SASE project to which I have just referred. That would mean two things. We would immorally allow that heat to be vented into the atmosphere, providing no additional benefit whatever from the production of greenhouse gas that will result from the burning of coal as we turn iron ore into pig iron and mild steel. In addition to getting greater benefit for the amount of carbon dioxide so produced, we will get the benefit of the cheaper electricity made available to us as a by-product.

I commend the Government for its far-sighted and careful analysis of the structure of the corporations which this legislation envisages, and I commend the Minister for the very careful way in which he has analysed all those options to give us the best possible mix and at the same time, meet the requirements of Hilmer and COAG in the process.

The Hon. J.W. OLSEN (Minister for Infrastructure): I would like to canvass a number of matters, based on the contribution of various members. I will begin with the Leader of the Opposition. I was somewhat surprised at the bile that was dumped upon me by the Leader of the Opposition in this House this evening. It was quite unjustified, unwarranted and, indeed, totally inaccurate. The Leader of the Opposition on two occasions indicated that I had misled this House. It is a very serious allegation to make against any Minister of the Crown. If the Leader of the Opposition genuinely is of that view, I invite him to move a substantive motion in the House and deal with it in the proper way.

My answer to the question from the Opposition was quite careful and it was crafted. When asked whether I was going to outsource SA Water, I said, 'No, it is not the intention of either the Government or me to outsource the whole of SA Water.' The answer was totally accurate. I have not misled the Parliament. The fact that the Opposition cannot apply a little due judgment to answers given in the Parliament is its responsibility, not mine. I have been totally frank, open and honest in the Parliament. In fact, some people have suggested to me that my frankness, my straightforwardness, has cost me dearly during my political career. It is a style that I will continue, and I take some exception to the Leader of the Opposition's suggesting in this House that I have been anything less than straightforward, open, honest and frank in the answers I give to the Parliament.

There is a range of views I want to counter, and first and foremost is this question of privatisation. We have not privatised SA Water. All the assets are still owned by the taxpayers of South Australia. It is a fundamental and basic point that the Leader of the Opposition and Opposition members constantly choose to ignore. I know why they do that. It is politically advantageous to keep talking about privatisation and repeating it over and over again, hoping that some members of the public will believe it. In fact, it is not true.

Mrs Geraghty interjecting:

The Hon. J.W. OLSEN: The member for Torrens says that some of them do. I have no doubt that, with the Opposition's propaganda machine pursuing the myth, the lie and the misrepresentation of it, some people do believe it. I understand the Opposition's political motivation, but it is not politically honest.

The other interesting matter was the concession by the Leader of the Opposition—and I thought this was a very fundamental and interesting point—that the Government might win control of the Upper House after the next election. Well, to do that, we would have to improve upon the vote we received in 1993, and I must admit that that is well on the cards. The polls are showing that sort of thrust and direction. If that occurs, the policy position of members opposite will be irrelevant. For the Leader of the Opposition to concede in debate that we could win a majority in the Upper House of the Parliament I think is a very substantive concession and one that reflects the sensitivity of members opposite.

The honourable member brought Sir Thomas Playford into the debate. The Leader of the Opposition, in relying on dear old Tom to back up his policy direction today, in the year of the centenary of Tom's birth and in the fiftieth year of the Electricity Trust of South Australia, has drawn a long bow. If Tom was going to turn in his grave it would be on the basis that the Leader of the Opposition was claiming him as an ally rather than because of any policy initiative this Liberal Government was pursuing.

Unless we analyse and dismantle the speech, things stand as gospel. For example, the Leader of the Opposition said, 'A transmission docket was worked on and developed in my office.' It was not. If I do not correct that, subsequent to tonight's debate the Leader of the Opposition will go somewhere and say, 'I made this claim in the House and it was never denied, so it must be fact,' when it is not. The whole contribution ought to be disseminated as not having any factual basis, substance or meaning. We all know what it is about: it is about the agenda for the next election, the creation of an election issue which the Opposition can run on and attempt to use to its advantage. It does not matter about the merits of the case.

I point out to the House—and the Deputy Leader is actually prepared to acknowledge this point—that it was the Keating, Bannon, Arnold and then the Brown Governments that have pursued this policy direction. We have a Labor Government in New South Wales and a former Labor Government in Canberra which have brought into fruition the

Hilmer report and which have put the policy pressures on the States. None of the States has been ahead of Hilmer except Victoria; its microeconomic reform is ahead of the Hilmer agenda. Other States, because of regional economic matters, have pursued a course. They are not proposing to be in line with Victoria but trying to develop a policy option that meets the regional economy and needs of South Australia. That is ignored in this debate by the Opposition; it does not want to concede that that was the position we would want to pursue. It is certainly confused by the sequence of events. The Opposition keeps talking about the amendment it will move. As it relates to the sale of ETSA, the Leader set out what one would describe as a complete fabrication of events.

The Bill we have put forward includes a clause to address the Opposition's constant carping that we were going to privatise. Rather than wait to come into the House to debate this issue, we took the initiative. I consulted the unions on a number of occasions and put to them our view. As a result of one discussion with the unions about only generation being included, they questioned why transmission and distribution were not included. The current amendment has 'generation, transmission and distribution'. This Government has taken a quantum step to mollify the fears and accusations that have been put forward by the Opposition. We did that: we included the clause in the Bill to meet the needs of Opposition members.

I take exception to the fact that they do not seem to accept my commitments to this House—which I take very seriously—as being commitments that will be followed through in the fullness of time. I would like them to point out any commitments that I have not followed through whilst I have had responsibility as the Minister. Clearly, what they also ignore is that this Government put an issues paper from the Electricity Sector Reform Unit to the Industries Commission. This highlighted the Government's commitment not to privatise ETSA. We actually put it in the submission from the Government, through the Electricity Sector Reform Unit, to the Industry Commission report.

That was well before the kerfuffle and debate of recent times. We said it from the start, because it is not the Government's intention to privatise ETSA: full stop and no qualifications in relation to that statement. This Government has no such intention. As I have said at press conferences, I am sick and tired of responding to this constant claim and so I said, 'We will clarify the matter once and for all and we will put a clause in the Bill in relation to the sale of ETSA.' The member for Hart trotted out his leaked couple of pages. The member for Hart has difficulty with this because there are more than the two pages he got.

Mr Foley: Show me.

The Hon. J.W. OLSEN: I was more than happy to show the media the page you clearly did not want to release.

Mr Foley interjecting:

The Hon. J.W. OLSEN: You say it is the page you did not get. Certainly, the last page would have destroyed the press release. The last page destroyed his press release because, while I have not got the document in front of me at the moment, in essence it said—

Mr Foley interjecting:

The Hon. J.W. OLSEN: You have already shown me those and there is no need to show me again.

Mr Foley interjecting:

The Hon. J.W. OLSEN: I have no doubt that you got them, but you did not use them because it destroyed your argument. After the debate was developed in this paper, the last page said, 'It is recommended that no good purpose or further work should be undertaken on this proposal.' So, they went through the debate and argued the pros and cons, got to the bottom and said, 'We have now looked at the pros and cons. No further work is warranted on this. This proposal should not proceed.' That was said on the last page of the leaked document. Miraculously, that was not part of the press release, because it would have tended to destroy the argument of the member for Hart.

The Hon. M.D. Rann: We would never rip off the back page of any document.

The Hon. J.W. OLSEN: Despite the Leader's interjecting out of his seat, we know that he does not take off the back page—he takes off the front page and puts the 'confidential' stamp on it. It is not for him to take off the back page. We know about the Roxby Downs reports of 1981 or whenever it was. ETSA's submission to the Industry Commission was produced by ETSA management and endorsed by the board. I gave approval for that organisation to put forward its proposal to the Industry Commission. It is now a commercial focused business. It has its views and takes a commercial position on these matters.

The Government and I thought about it and Cabinet endorsed ETSA doing its own thing in terms of presenting a paper to the Industry Commission. That is right and proper, not trying to nobble or constrict ETSA from any commercial point of view it might take different from the Government's point of view if it happened to be different. Coincidentally, it was not too much different, but they were allowed to proceed along that line. The Industry Commission fully considered the ETSA submission and did considerable work on the local economies of scale and scope. Having considered the likely costs to ETSA of disaggregation or separation of generation and those costs, and against it the likely benefits of competition, the Industry Commission determined that competition would be a factor that would generate greater benefits and of course we would not put at risk the competition payments to South Australia.

As to the amendment to be moved by the Opposition, we will not be supporting it because the Opposition's amendment clearly, as it is tactically designed to do, is more all embracing than the Opposition claims it is. The amendment will preclude a whole range of things—this is currently being checked out in the short time I have had the amendment—including our putting in place a number of arrangements, should we be successful with Australian National if it wanted to take over our operation of the Leigh Creek to Port Augusta line and put in a commercial focus and get the cost of operating the line down so that the generating plant at Port Augusta can be more efficient and can compete in the international market.

The amendment would preclude our putting in place a range of measures in terms of outsourcing, contracting out, putting in place a small company to run that line for us to remove it from the monopoly of Australian National. In addition, it would also preclude a whole range of financing arrangements that the former Bannon Government put in place for the Electricity Trust over the past decade. I presume the Opposition is not saying that they were totally inappropriate moves at that time.

For the reasons I have put forward, we are not supporting the Opposition's amendment, because it goes far further and would act as an absolute constraint on the operations of ETSA in the form that we now know it. We would be better off saying, 'No change; we will stay as we are.' We would

be saying to the Industry Commission, the ACCC, the NCC and the Federal Government, 'We tried, but we have belligerent Opposition Parties in South Australia that will not recognise some of the needs to meet the competition principles and policies put down by Hilmer and signed off by State and Federal Labor and Liberal Governments.' That is the bottom line as it relates to this matter. In all good faith, we have attempted to meet the requirements by the provisions which are contained in the Bill as introduced by the Government.

We are proposing—and I repeat it for the benefit of members opposite—to put in place a separate generation entity that will be a wholly owned Government business enterprise. It will not be sold; it has never been intended that it be sold or privatised as the Opposition would want us to believe and would want the public to believe. The simple fact is that we cannot compromise the needs of South Australia in terms of the disbursements from Canberra in competition payments; we cannot put at risk those funds coming to South Australia. It was not this Government that created the debacle and the debt levels upon which we have to put in place debt stabilisation and debt reduction: that occurred under the former Administration. Any flexibility we might have had to say, 'Do not worry about competition payments in the tall order of things', we do not have. We simply do not have that luxury in South Australia, because we have this debt stabilisation, debt reduction and debt management strategy that we must pursue in the interests of South Australians. That is why we are pursuing this course.

The member for Hart indicated that 18 months ago I brought in legislation in relation to ETSA and that I said that I thought that was the end of it during this Government. So I did. I went to the Ministers' meeting and I argued the case for ETSA. I will not tell you what the Treasurer of New South Wales said—

Mr Foley: Tell us.

The Hon. J.W. OLSEN: I certainly would not have it on the public record: it would not be printable. The challenge from the member for Hart was whether I argued the case for the Electricity Trust in the structure—

Mr Foley interjecting:

The Hon. J.W. OLSEN: —yes it was—that I put through 18 months ago. The answer is, 'Yes, I did.' I went to the ministerial council meeting—

Mr Foley interjecting:

The DEPUTY SPEAKER: The member for Hart is out of order in constantly displaying material and he knows that.

The Hon. J.W. OLSEN: I went to the ministerial council meeting last year and argued the case on the structure that we had put in place for ETSA, the structure which is not dissimilar to that which ETSA put to the Industry Commission. I constantly argued for that and we were delayed almost six months. We had pressure from the NGMC and Bob Collins, the then Federal Minister; Prime Minister, Paul Keating, and others were coming to us saying, 'You have to pursue this course.' I said, 'Don't speak to me: speak to your colleagues in South Australia, because they are the ones inhibiting the introduction of this.' We argued the case at the ministerial council meeting until December last year; the different States said, 'If you do not separate generation, if you do not get transparency in the functions of ETSA, we [the other States] will separately and jointly go to ACCC and argue that you have not taken the necessary steps to meet the competition requirements. You have not taken the necessary steps to meet the COAG sign off and, as such, you are not entitled and your disbursements ought to be discounted for the fact that the Government business enterprise, ETSA, has not been put into a position that we think meets those competition principles.' That was the position. In December I fought the good fight but I did not win the fight, because Liberal and Labor Governments, both nationally and in other States, said they would not support us. More than that, they were prepared to take positive action against South Australia before the ACCC.

Faced with that situation, we had a choice: we could thumb our nose at them and say, 'The regional economy of South Australia is more important; our generating is more important, and we think we know better than you. Scottish Power has a vertically integrated structure and it can meet a national market, so we can do it here.' The simple fact is that we would not be able to access the national market, because the NGMC said, 'No way; we will not allow you in unless you undertake these steps.' We then sought the advice of the Industry Commission. It is all very well for the member for Hart to dismiss and ridicule the Industry Commission but, if we had been able to get the Industry Commission to give some semblance to the argument we had put forward, we might have been able to go back and continue to argue our case. In the event, it did not.

Therefore, we had no third party. The reverse is that we needed the Industry Commission as a third independent party to put some facts before the Opposition. At least we would have had a third party independent body passing a judgment that was consistent with the policy line we would be introducing into the Parliament. So, we pursued the course we are on now. I have given clear and specific commitments to this Parliament, and I would like the Leader of the Opposition, the member for Hart, and any other member opposite to identify where I have breached a specific commitment to this House. I have not.

I am giving a commitment to this Parliament and this House with respect to the Government's intention on this legislation: it is not to pursue the privatisation sale of the Electricity Trust of South Australia. It is about protecting the position and the interests of South Australia in a national electricity market. As a result of the initiatives of this Government, we are now not only the lead legislator for the national market, which gives an advantage to South Australia in subsequent years—

The Hon. M.D. Rann: That is thanks to us.

The Hon. J.W. OLSEN: I have already acknowledged the support in that measure.

Mr Foley interjecting:

The Hon. J.W. OLSEN: The honourable member is really testing, given the bile he put out on me and claims that, on two occasions, I misled this Parliament. It is testing a bit for me to come back and give any sort of acknowledgment in subsequent debate: fair go. The point is that we are pursuing a course that will bring about substantial benefit and change. We have attempted to accommodate the public criticisms of the Opposition as to our intention by incorporating a specific clause in the Bill, and we will not be supporting the Opposition's amendment for the reasons I have indicated to the House. At the end of the day, if that means we do not get a Bill, we do not get a Bill, but that is the simple fact of the matter.

If we are hauled before the ACCC and it discounts the disbursements to South Australia, it will be right in the Opposition's lap, and I will have the greatest pleasure during 1997, as we lead into the election campaign, highlighting just

who has positioned this State at a substantial disadvantage. Not only did the Opposition deliver the bank debacle but it is now penalising us subsequently as a result of those moves.

I commend this legislation to the House. It is important for South Australia, it is essential for this State and, as I said during the national electricity legislation debate, it is about positioning the industries in this State that have to go into the export markets, to give them access to the cost of power that will meet the needs of the international marketplace. To demonstrate our *bona fides*, let me finalise on this point as it relates to the work force of the Electricity Trust. There are guarantees in this document as it relates to the work force members of ETSA. I have given that to the unions and it is embodied in this legislation. In addition to that, we have committed $100 million for the upgrading of the facilities of ETSA in South Australia so that it may be able to compete effectively within the national electricity market. I commend the Bill to the House.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5—'Electricity transmission corporation and functions.'

Mr FOLEY: My question concerns the interconnector between South Australia and Victoria, and the agreement we have with Victoria for the interconnection. When does that run out? I assume that will occur before the national grid is in place.

The Hon. J.W. OLSEN: The contract expires in April 1997. The utilities are currently negotiating on that. I have had a preliminary discussion with the Treasurer of Victoria in relation to the interconnector and I may well have subsequent discussions with him.

Mr FOLEY: Part of the reason for asking that question relates to the Industry Commission report, which was such a stunning read. Reference is made to the fact that we got a good deal in our last contract with Victoria, given its service capacity. It states that when we go into the national grid we will not be able to take advantage of what was a fairly price advantageous agreement with Victoria. That must have an impact on costs in South Australia, because the Industry Commission report implies that what had been a fairly cheap buy from Victoria will be eliminated, notwithstanding the efficiencies and savings in the national grid. How does that factor into ETSA's cost structures?

The Hon. J.W. OLSEN: One of the conditions precedent to entry into the national electricity market relates to the interconnector and a satisfactory resolution. We have discussed this at the ministerial council. We fought, argued and obtained the concurrence of the other States that it is a commercial agreement and should be sorted out on commercial grounds. That is agreed to. In addition, the interconnector supplies us with power being generated at 15 per cent below the cost of our generating the power at Torrens Island. We are currently banking our gas and maximising the interconnector because of the price advantage it is giving us at the moment.

We are looking at the arrangements that will be in place for post April 1997 and we will be negotiating with the Victorian Government as to an appropriate outcome. Of course there is $140 million worth of infrastructure—$40 million of which is on the Victorian side of the border—and we would want to be protecting South Australia's interest related to assets and related to capacity to use the interconnector and to maximise our power options and the cost of producing generating power.

Mr FOLEY: You have speculated in recent weeks that you are looking at another interconnector between South Australia and New South Wales, which draws us to the general question as highlighted again in the Industry Commission report and other information that, by the year 2000, there will be a need for further capacity. I do not expect the Minister to sit down here and debate the future needs of South Australia in that respect. However, I am interested in the Minister's comments, as specific as he can be, in respect of where he sees our future generating capacity coming from. Will the interconnector with New South Wales be sufficient and take us beyond 2000? Are we looking at the expansion of our existing generating capacity? It is a fairly pertinent question, given the tight time lines at which we are looking.

The Hon. J.W. OLSEN: The reason for our pursuing the investigation of the Riverlink with the New South Wales Government is to add about 250 megawatts of additional transmission capacity. The reason is to ensure that we have reliability of supply for consumers of power in South Australia when we go into the national electricity market. ETSA has a 99.8 per cent reliability of supply—the best in Australia. We want to ensure that access to the national market does not impact against that. Another important point in looking at the Riverlink interconnector with New South Wales is to ensure that our businesses (and whilst there are a small number of our businesses that will access the national market in the short-term start-up period) have more than generators and distributors in Victoria from which they can purchase their power and that in fact that there are a range of other options, by increasing it from 500 megawatts to 750 megawatts if the Riverlink interconnector goes in.

Therefore, it is about ensuring reliability of supply to consumers in South Australia and about supplying the maximum choice that purchasers of power in South Australia will be entitled to under the national electricity market, and it is also to look at that peaking power. South Australia will always be a base load generator, at the end of the line, if you like, of the national grid. It is my view that we will always have a requirement for that base load generating capacity, but it has to be on the basis of being, in cost efficient terms, equivalent to or better than interstate.

We have natural disadvantages in South Australia: first, we bring gas some 1 400 kilometres from the Moomba Basin. We have take and pay contracts with that which we inherited and which we are locked into. We bring low grade brown coal out of Leigh Creek and burn it at Port Augusta, both of which are natural disadvantages. We do not have black or brown coal at the generating site, as do New South Wales and Victoria. Despite these natural disadvantages, the productivity and efficiency gains introduced by the Electricity Trust over recent years have been remarkable and their introduction has been a credit to management and the work force. It is a matter of them realising that we simply have to get better at it and we will have to constantly get better at it. There is never such a thing as reform standstill. It is reform and reform and reform—constantly reforming. That is the sort of marketplace we are in at the moment. The 180 megawatt cogeneration plant, costing $170 million—

Mr Foley interjecting:

The Hon. J.W. OLSEN: We thought that we would put it down there for your benefit. It will meet the peak load requirements in the next few years, certainly to the year 2000. Then, if you ask me what is the long-term basis of generating capacity in South Australia, I can say that the $100 million we are spending at the moment will give us an extended

lifeline for generating capacity in South Australia. Further work has to be done on that. There is no doubt that in, say, 2005 or 2010 this State will have to look seriously at converting to combined gas cycle generating capacity. That will mean that we will have to look at an investment of between $1.2 billion and $1.3 billion to bring our generating plants up to that type of technology—that is if we are to compete. Therefore, Government would want to keep open options—

An honourable member interjecting:

The Hon. J.W. OLSEN: Well, it might be, and the honourable member had better look at his amendment—so that it could have other than Government borrowing the $1.3 billion to put into its power plants. The honourable member should think about that for a moment. The reality is that, if we are to compete in the longer term in the next century, they are the types of steps we will have to take. I will not have to worry about what will happen in another 10 years in this portfolio. I might have another portfolio then, but it will not be this one. That is the long-term strategy as best as I can map it out in a field that is changing so constantly.

In his contribution earlier the member for Hart mentioned the dynamics of change in the national electricity market. The dynamics of those changes will be constant in the foreseeable future.

Clause passed.

Clauses 6 to 18 passed.

Clause 19—'Limitation of power to dispose of certain assets.'

Mr FOLEY: I move:

Page 4—

Line 10—Leave out 'for the disposal of assets.'

Lines 12 to 18—Leave out subclause (2) and insert—

(2) This section applies to a transaction if—

(a) the transaction is—

(i) a sale or transfer, or contract for the sale or transfer, of assets of an electricity corporation consisting of electricity generation facilities or the whole or part of an electricity transmission system or electricity distribution system; and

(ii) the transaction is negotiated with a view to the operation of the assets as part of the South Australian electricity supply system by a person or body other than an electricity corporation; or

(b) the transaction is a contract or arrangement for the operation of assets of an electricity corporation consisting of electricity generation facilities or the whole or part of an electricity transmission system or electricity distribution system as part of the South Australian electricity supply system by a person or body other than an electricity corporation on behalf of the first mentioned electricity corporation; or

(c) the transaction involves the issuing, sale or other disposal of shares in a company that is a subsidiary of an electricity corporation to a person or body other than an electricity corporation or officer or agency of the Crown.

I seek the indulgence of the Committee to ask one question relating to this very important amendment, although it may not appear to be directly related. In relation to the issue of dividend in the new corporation structure and with the new national grid, I would like to know how the Government intends to allow ETSA and the generation corporation to be competitive within the national grid in respect of the dividend that the Government takes out of those organisations. I assume that the Government will announce tomorrow whatever it will take out of ETSA a year—$200 million plus CPI and a little more, I suspect.

In the new world order clearly ETSA will need all its available revenue to continue with efficiencies and to continue to position itself on the national grid. In expecting ETSA to play in the competitive market, I assume that the Government will be releasing ETSA from some of the onerous obligations it has had in recent times in terms of its dividend.

The Hon. J.W. OLSEN: I suggest that the member for Hart check the budget papers when they are tabled tomorrow. That might, in part, answer his question. With all Government business enterprises there is a rate of return on assets that has been established, and we will be seeking to put in place a plan that will make ETSA not different from other generators in terms of return to shareholders.

Mr FOLEY: We have heard much rhetoric tonight from the Government. I was interested to hear the member for Norwood speak. The honourable member wings in, gives us his 20 minutes of knowledge and great wisdom, then whips out again and never seems to stay around for any of the debates. Comments were made by the member for Norwood about my not knowing what this Bill is all about. As I pointed out at the time by way of interjection—and I do it again now—this Government has been looking at ways in which it could facilitate the sale of a part of ETSA's transmission.

It is no use the Government saying that it has not considered it, because we have documentary evidence that it has. The Government, as we saw with SA Water, has managed to manipulate the Act by being able to outsource the vast bulk of the management and operation of SA Water. I do not want to revisit that debate, because plenty has already been said on that tonight.

There are two good examples, and they are the reason for the amendment put forward by the Opposition. The first is, where possible, to prevent the Government from doing with ETSA what it did with SA Water. I acknowledge the Minister's comments to the effect that the amendment, as drafted, may have some unintended consequences. I am not silly enough to suggest that that may not have occurred, but I have had this amendment drafted in good faith.

The reason for the amendment is to endeavour to stop the outsourcing of the management and operation of all or part of the generation corporation and the transmission or distribution and retail function of ETSA as we know it. We have attempted, as best we can in the short time available to the Opposition, to draft an amendment to deal with that issue. If there are any unintended consequences, if we have impinged on legitimate areas of operational activity within ETSA, it may be that we shall need to have a closer look at it. We have some time to do that because we have the debate in the Upper House.

The Opposition, as it has demonstrated on every occasion when dealing with electricity from day one on the corporatisation Bill, the Bill that we debated earlier tonight and this Bill, will be constructive. At the end of the day, we are concerned to facilitate this Bill, provided that our safeguards can be built into it. Whilst I can understand the Minister's desire to debate the merits or otherwise of the Bill aggressively, I ask him to take it in the context that, as we have done continually, we are attempting to be constructive in our approach to electricity reform in this State.

The other part of the amendment relates to the transaction involving the disposal of shares in the company, about which I said plenty in my second reading speech.

The Hon. J.W. OLSEN (Minister for Infrastructure): I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

Mr FOLEY: As I said, there are two clauses in the Bill. The first is a machinery clause, and the second is the principal clause as listed on our amendment sheet. As I was explaining, one element of this was to stop the outsourcing. The other is a measure to ensure that we do not allow the formation of a subsidiary company and the sale of 50 per cent of the shares in such company. Whilst I appreciate that the Minister has repeatedly said that is nonsense and I am supposed to have had a fourth page—

The Hon. J.W. Olsen: Page 9.

Mr FOLEY: Page 9. May I have it? If I have it, there is nothing to lose by my having it.

The Hon. J.W. Olsen interjecting:

Mr FOLEY: I have not got it and I need it; or, rather, I do not need it but I would like it. As has been eloquently put by other speakers tonight, the level of trust in the Government on certain aspects of legislation is not as high as one would like it to be. We would like to see that instilled in Parliament now, if what the Minister is saying in Parliament tonight is that it is nonsense. If the recommendation was that that rort should not be proceeded with, the Minister will have no difficulty in supporting the amendment at the end of the day. It really is a fairly basic argument and, once seen in the cool light of day, the Government should have no difficulty in supporting what is nothing more than a constructive approach from the Opposition.

The Hon. J.W. OLSEN: I welcome this recent constructive involvement of the Opposition in this debate and indicate that I am more than willing to work cooperatively and constructively with it. That is why we offer briefings on these Bills—in an endeavour to assist the process, not in an endeavour to be difficult; not to compound the difficulties in comprehending complex legislation, which the national electricity market clearly is. The Government does not accept the amendment, because, on preliminary advice given to me, it does have very serious unintended consequences and would preclude our doing a number of things, a couple of which I noted in my closing remarks in the second reading debate.

To meet this requirement and to draft what the Government has in its Bill was very technical and difficult as we endeavoured to meet the objectives that we were trying to incorporate in the Bill without creating major operating problems for ETSA in the future. I commend Parliamentary Counsel, who put in an enormous amount of work to try to meet our requirements and put them in a legislative form that did not bring the unintended consequences. The member for Hart no doubt went through a similar experience in trying to draft his amendment, and that must clearly demonstrate just how difficult it is to meet this requirement and to put it in legislation.

I hope that the Opposition will understand from its own experience that we also experienced difficulties in putting together the technical component in a legal form that did not then create a major operational difficulty for ETSA in the future. I welcome and encourage the comments of the member for Hart in the debate tonight, that this matter will be looked at and further tested. I hope that at the end of the day, if our Bill is not satisfactory to the Opposition, at least a form of words can be identified that will meet the requirements we are all trying to get to but without creating a difficulty for ETSA commercially. At the end of the day, if an amendment is included that creates major difficulties for ETSA, I will have no choice other than to walk away from the Bill.

That then brings other consequences that I assume that any Minister in any Government would not want to have to pursue with ACCC, interstate Governments and the like. I hope that in the circumstances with which South Australia is faced we can work our way through this in a constructive way. So, in this evening's debate we will be opposing the amendment for the reasons I have nominated. If we cannot work it through in a reasonable way in the Upper House, clearly the Bill is at risk. That may well be an intention: the Bill is too difficult, so it is scuttled at the end of the day. I hope that is not the case. If that is an objective, let that be an objective. I hasten to add that I have not seen that as an objective from the member for Hart in any discussions I have had with him, and I acknowledge that. But we cannot have a position where a Government enterprise cannot go about its commercial business because of legislative form.

Mr FOLEY: I appreciate that the Minister has been a Minister now for nearly two years and that prior to that he was in Canberra for 18 months. It has been a while since he was in Opposition, but the standard and operations of Opposition have improved since he was last in Opposition. In the Upper House we do not endeavour to frustrate, to have Bills thrown out and to play political brinkmanship, which may well have been the approach of former Oppositions. What we want to do in the Upper House is exactly what we want to do here: achieve a constructive outcome. There is no need for this Bill to be lost. There is no need for talk of dire consequences or of $1 billion in compensation payments being withdrawn and that sort of rhetoric. There is no need for that at all.

By this amendment we signal that we are extremely serious about three fundamental issues in respect of this Bill. Through the Minister's efforts he has acknowledged one of those three elements: privatisation. I am prepared to say—and this is the view of a number of trade unions with which I have had discussions—that the Minister has in good faith entered into discussions with the trade unions involved and with the Opposition with a view to getting a meaningful anti-privatisation clause. I accept that.

However, I indicate that there are two other points that the Opposition will insist on addressing. One is the issue of outsourcing. As I said earlier, this amendment as drawn may well have embraced some unintended consequences. The Opposition is not about creating commercial mayhem for ETSA. The only mayhem we seem to be creating is for Parliamentary Counsel. We want this issue resolved as soon as possible. ETSA's employees have every right to know where their future lies. We have a responsibility, as the Government does, to ensure that these issues are settled as quickly as possible. However, the issue of outsourcing is something of concern, because we want further work done on that.

We want a meaningful statement in this Bill that prohibits the outsourcing of the management and operations of the elements of ETSA I have mentioned. We have to do more work; we have to insert other sets of words; we have to more tightly define what we are on about. That can be done. It may take some painstaking moments with Parliamentary Counsel to do that, but I would not have thought it an impossible task

provided the Government has the will to address the sorts of issues to which I refer.

Thirdly, the issue of the share transaction really takes care of itself. The Minister has indicated tonight that it is a nonsense. The paper that was prepared was nothing more than perhaps a bit of an over-enthusiastic look at what other options were available. That issue should not be difficult to rule off on, given what the Minister has said tonight. In our brief moments tonight we already seem to be further defining the area in dispute. I hope that the Government will be constructive. As the Deputy Leader said, at the end of the day we are serious. We will not be a soft touch in respect of this Bill. In the spirit of cooperation and constructiveness, which has been the hallmark of all reform to ETSA, the Opposition has been more than constructive in its approach, and we should be able to wrap this up in the Upper House without too much angst.

Mr Foley's amendment to page 4, line 10 negatived.

The Committee divided on Mr Foley's amendment to page 4, lines 12 to 18:

AYES (8)

Atkinson, M. J.	Clarke, R. D.
De Laine, M. R.	Foley, K. O. (teller)
Geraghty, R. K.	Rann, M. D.
Stevens, L.	White, P. L.

NOES (26)

Armitage, M. H.	Ashenden, E. S.
Baker, S. J.	Bass, R. P.
Becker, H.	Brindal, M. K.
Brokenshire, R. L.	Buckby, M. R.
Caudell, C. J.	Condous, S. G.
Evans, I. F.	Gunn, G. M.
Hall, J. L.	Ingerson, G. A.
Kerin, R. G.	Leggett, S. R.
Matthew, W. A.	Meier, E. J.
Olsen, J. W. (teller)	Oswald, J. K. G.
Penfold, E. M.	Rossi, J. P.
Scalzi, G.	Venning, I. H.
Wade, D. E.	Wotton, D. C.

PAIRS

Blevins, F. T.	Brown, D. C.
Hurley, A. K.	Kotz, D. C.
Quirke, J. A.	Such, R. B.

Majority of 18 for the Noes.

Amendment thus negatived; clause passed.

Remaining clauses (20 and 21) and title passed.

Bill read a third time and passed.

ELECTRICITY CORPORATIONS (SCHEDULE 4) AMENDMENT BILL

The Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development) obtained leave and introduced a Bill for an Act to amend the Electricity Corporations Act 1994. Read a first time.

The Hon. J.W. OLSEN: 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.

The generation, transmission and distribution of electricity has been traditionally performed by one utility. However, with the restructure of the electricity industry in South Australia with a view to making the industry more competitive, subsidiaries of ETSA Corporation established by Regulations under the Public Corporations Act will perform these functions with ETSA Corporation operating as a holding corporation. As a consequence, many of the provisions relating to ETSA now have to be modified to apply to the electricity corporations or the electricity corporation that is carrying out the function, previously only carried out by ETSA. To effect this, this Bill comprehensively amends Schedule 4 of the Electricity Corporations Act.

In particular, the present immunity for discontinuance or failure of supply will now apply to all electricity corporations. This is also the case with the limited liability in relation to vegetation clearance and, to remove any doubt, whether the vegetation clearance work is carried out by an electricity corporation or a contractor on behalf of the electricity corporation. This is most important in keeping insurance premiums to a minimum and keeping electricity charges low.

Further restructuring is contemplated with the presentation of a Bill for the establishment of a separate Generation Corporation before the house. This Bill is independent of the separation of Generation Corporation yet consistent with it.

These amendments will ensure the electricity corporations can carry out their functions in the same way ETSA Corporation has to date been operating.

The application of the Public Corporations Act to ETSA Corporation with its corporatisation on 1st July 1995 led to the implementation of a tax equivalent regime whereby taxes and charges including council rates are paid to Treasury. The consequent loss in council revenue could have affected some councils' revenue base but for the fact that ETSA Corporation was exempted by the Treasurer from having to pay rates to Treasury and could, instead, continue the previous arrangement of paying councils direct. The payment of rates direct to councils is similar to arrangements which apply to electricity authorities interstate and the valuation arrangements are also in line with usual practice in respect to other utilities and manufacturing industry.

I commend this Bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure is to be brought into operation by proclamation.

Clause 3: Insertion of s. 48A

This clause reinstates a provision that was contained in the now repealed *Electricity Trust of South Australia Act 1946* providing for the liability of ETSA to council rates. The proposed new section 48A provides that any electricity corporation will be liable to rates in respect of land and buildings of the corporation but not in respect of plant or equipment or easements, rights of way or other similar rights used or operating in connection with the corporation's electricity generation, transmission or distribution activities.

This liability will apply in place of the current provision for council rate equivalent payments to be made to the Treasurer under the *Public Corporations Act 1993*.

Clause 4: Amendment of schedule 4

Schedule 4 of the principal Act contains various powers, duties and immunities conferred on or relating to ETSA that were contained in the former *Electricity Trust of South Australia Act 1946*.

Under section 4 of the Act, "electricity corporation" is defined as ETSA Corporation or any new corporation (with generation or transmission functions) established under Part 3 or 4 of the principal Act or any subsidiary of ETSA or of any such other corporation. Subsidiaries of ETSA have been established under the *Public Corporations Act 1993*.

The clause amends schedule 4 so that its various provisions apply not just in relation to ETSA but in relation to electricity corporations and, hence, the subsidiaries of the ETSA.

The provisions of schedule 4 amended by the clause relate to the following—

- power to compulsorily acquire land;
- power to excavate public places and lay and install cables and other equipment;
- power to cut off electricity supply in appropriate circumstances;
- immunity from civil liability in consequence of the cutting off of supply or a failure of supply;
- vegetation clearance rules and immunity from liability if the rules are complied with;
- powers of entry and inspection.

In addition, the clause amends clause 7(5) of schedule 4 which provides an immunity if the vegetation clearance principles are

observed. This provision is amended to make it clear that the immunity exists with respect to vegetation clearance whether an electricity corporation carries out the work itself or the work is carried out by a contractor or other agent on behalf of an electricity corporation or by a council or other person pursuant to a delegation by an electricity corporation.

Mr FOLEY (Hart): After what has been a fairly lengthy process, we now come to the third in the series of electricity Bills. I indicate from the outset, as I have done in the majority of cases, that the Opposition supports this Bill without amendment. This Bill tidies up a couple of loose ends, unintended consequences of the earlier corporatisation Bill which meant that ETSA's responsibility to pay council rates was lost. I understand that some $600 000 or $700 000 of revenue was not going directly to councils because, as we know, under public corporations law in this State you do not pay rates. I understand that the Treasurer, through one of his many instruments, was able to make sure that the councils were not out of pocket. I would be the last one to want to see councils miss out on their revenue. I must say, however, that it caused one or two murmurs in the Opposition Caucus. One or two of my colleagues were not necessarily of the view that councils should automatically get this money and thought that perhaps the money could be better utilised in the State's financial ledger. Perhaps I was even one of those for a fleeting moment, but I figured that the fight really was not worth having. So, the six or seven councils can rest assured that they will get their council rates in the years ahead.

The other element was simply transferring certain powers that existed. I understand that there was some confusion or concern that some of the powers of the umbrella ETSA Corporation were not necessarily transferred to those of the operating units and, obviously, the new South Australian Generation Corporation. Again, those powers should automatically be put in place in terms of the other corporations. We have no problem in supporting that. I conclude by saying that I think the Opposition and the Government have worked together well to ensure that we get some tidy reform in ETSA.

The Hon. J.W. OLSEN (Minister for Infrastructure): I thank the Opposition for its support in the speedy passage of this measure.

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

STATUTES AMENDMENT (ABOLITION OF TRIBUNALS) BILL

The Legislative Council intimated that it had disagreed to the House of Assembly's amendments.

ADJOURNMENT

At 10.22 p.m. the House adjourned until Thursday 30 May at 10.30 a.m.