HOUSE OF ASSEMBLY

Wednesday 1 July 1998

The SPEAKER (Hon. J.K.G. Oswald) took the Chair at 2 p.m. and read prayers.

HALLETT COVE BEACH

A petition signed by 351 residents of South Australia requesting that the House urge the Government to include the Hallett Cove Beach on the Coast Protection Board's sand replenishment program was presented by the Hon. W.A. Matthew.

Petition received.

RABBITS, EXOTIC

A petition signed by 202 residents of South Australia requesting that the House urge the Government to pass legislation in relation to the possession, use and disposal of exotic rabbits was presented by Mr McEwen.

Petition received.

WALKLEYS HEIGHTS LAND

A petition signed by 379 residents of South Australia requesting that the House urge the Government to reject any proposal to rezone land at Walkleys Heights, bounded by Grand Junction and Walkleys Roads, from residential to commercial was presented by Mr Snelling.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

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

Occupational Health, Safety and Welfare Act—Regulations—Prescription Fee

By the Minister for Environment and Heritage (Hon. D.C. Kotz)—

Water Resources Act—Regulations—Extension of Period.

ADELAIDE CITY COUNCIL

The Hon. M.K. BRINDAL (Minister for Local Government): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.K. BRINDAL: I would like to make a brief statement about the process of reviewing the governance of the City of Adelaide. Later today I will introduce legislation for the City of Adelaide reflecting the outcomes which commenced with the establishment of the Governance Review Advisory Group in April 1997. The main response to the release of the report in January and the subsequent release by the Premier of the Government of South Australia's Proposed Approach to the City of Adelaide Governance Review early in May has been a remarkable degree of consensus on both the objects and the substance of the changes which it is necessary to make to lay a strong foundation for action.

The State Government, the Adelaide City Council and many others in business, institutions and the community have worked hard to repair the city-State relationship and to change the perceptions about what is possible for our city. The State Government has recognised the unique role of the city and has recognised the need to take a whole of Government approach to the city. It has committed to working with the council and it has agreed to make formal commitments to this in legislation. The council has also made some very significant shifts. It has shown clear leadership, reformed its management and taken a more strategic approach. A Capital City Development Program has been released, setting out a cohesive plan for the city. The program joins together for the first time three interrelated elements.

Members interjecting:

The SPEAKER: Order!

The Hon. M.K. BRINDAL: I suggest the member for Spence might be interested, rather than indulging in tribal warfare. It joins together three interrelated elements. The Capital City Policy is a broad statement of preferred directions for the city, which will guide both the State Government and the Adelaide City Council and assist decision makers in the private sector. The Capital City Strategy states more specifically the actions to be taken by the State Government and the Adelaide City Council to implement the policy. The Capital City Implementation Program explains who is undertaking which particular programs and projects and also sets out how the Government and the council will work together.

The Capital City Development Program rests on supporting growth industries, providing twenty-first century information technology and upgrading the city's physical and natural appeal. This program, subject to the joint endorsement of both the State Government and the Adelaide City Council, will form the basis of the work of the unique intergovernmental Capital City Committee which is proposed.

I wish to recognise the positive and cooperative approach taken by members and officers of the council under the leadership of the Right Honourable the Lord Mayor, Jane Lomax-Smith, in developing the legislation which responds to the City of Adelaide Governance Review Final Report of January 1998.

Of course, I recognise that the outcomes will not please everyone. There are some, for example, who believe that changes should be made to the external boundaries of the council and will consider that changes proposed do not go far enough. Others in local government may be concerned that the special recognition given to the role of the City of Adelaide as the capital city may work to the disadvantage of other metropolitan and regional councils. The Local Government Association would have preferred more time to be spent working through the legislation with the whole of the Government sector.

However, the Government believes that the Corporation of the City of Adelaide is a democratically elected council with unique responsibilities towards all South Australians for their part in the governance of our capital city. We have therefore consciously given them the pre-eminence that is their due throughout this process.

The Government considers that the revitalisation of the city is a major priority and accepts the GRAG report's view that changing the councils external boundaries would detract from this task. Neither the Government nor the council want to delay the resolution of the governance issues for another six months. Indeed, we cannot afford to without supporting the perception that getting things done in the city is too hard and too slow. The council is now at a critical stage in

developing, in collaboration with the State Government and on its own behalf, plans and programs for the future viability of the city, all of which have been based on the assumption that North Adelaide is to remain part of the City of Adelaide. Delaying resolution on governance issues for a further period would have debilitating effects on the ability of council to manage the complex issues facing the city.

Indeed, some sections of the press have already commented at length on the process to date when GRAG and the Government's response were announced. I trust that they show similar alacrity in acknowledging both the advances and speed with which both tiers of Government cooperatively have arrived at this point. I have assured the Local Government Association that nothing in this legislation will establish precedence for local government generally in South Australia or in any way predetermine the outcome of consultations on the new local government legislation.

The fundamental issue is the need to coordinate our resources to rejuvenate the city and to be seen to be doing so, so as to improve the outlook for the whole State. It is the so-called knowledge industries that are likely to generate employment. The city hosts the greatest concentration of business services and facilities for higher education, the arts, culture, health, tourism and medical services in South Australia.

Because of this concentration of services and facilities, the State Government envisages that the city centre—that is, the commercial heart of the city and its immediate environs—will play a leading role in this Government's attempts to foster an enterprising community which is capable of assembling the technical, intellectual and managerial skills required for an advanced economy and society. There is no intention to redistribute activity or to prevent future growth occurring elsewhere in the metropolitan area or across the State, or to relocate any functions back to the city centre.

The challenge is to capitalise on the city's existing strengths and to rejuvenate the city centre, which, in a way, enables our city to add value to the further development of our State's economy. Strategic coordination across the broader metropolitan area will be necessary for that to be most effective. However, the challenge remains that we must not sell short this city, our State's most important asset for all South Australians. I am confident that we in this place can work through any minor concerns that remain in the spirit of cooperation which has prevailed to date and with the future of the city firmly in mind. Any other approach would only undermine the public and business confidence which is starting to emerge.

The SPEAKER: Order! I note that this afternoon a Bill will be introduced in respect of the City of Adelaide. There is material in that ministerial statement that could be better canvassed in the second reading explanation, and probably will be canvassed in the second reading explanation. The Chair would like it noted in the future that, if we are going to have a second reading explanation and a ministerial statement on the same topic on the same day, this type of material would be better canvassed in the second reading explanation.

QUESTIONS

The SPEAKER: I direct that the written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard:* Nos 115, 124 and 139.

LEGISLATIVE REVIEW COMMITTEE

Mr CONDOUS (Colton): I bring up the twelfth report of the committee and move:

That the report be received.

Motion carried.

PUBLIC WORKS COMMITTEE

Mr LEWIS (Hammond): I bring up the seventy-first report of the committee, being a status report on the Wirrina Cove Resort marina and the public access road, the conference facility and other amendments to the original plan, and move:

That the report be received.

Motion carried.

The Hon. G.A. INGERSON (Deputy Premier): I move:

That the report be printed.

Motion carried.

QUESTION TIME

THOROUGHBRED RACING AUTHORITY

Mr FOLEY (Hart): Why did the Deputy Premier tell the Parliament that he had had no discussions with anyone involved in the South Australian Thoroughbred Racing Authority calling for the termination of the contract of its former Chief Executive Officer Mr Merv Hill when he had, in fact, telephoned the then Chairman of the authority requesting that Mr Hill's contract be rescinded? On 18 June, I asked the Deputy Premier in the Estimates Committee the following question:

Did you have discussions with anyone involved with the South Australian Thoroughbred Racing Authority where you requested and indicated your preference for Mr Hill's contract to be terminated?

The Deputy Premier's answer was 'No'. I have since received a letter and supporting statutory declaration from prominent Liberal member Mr Rob Hodge and former Chairman of the South Australian Thoroughbred Racing Authority. He states, in part:

On 22 June 1997, the full board of the South Australian Thoroughbred Racing Authority confirmed Mr Hill's employment as CEO of SATRA. On 25 June 1997, Mr Ingerson rang me, outraged at our unanimous decision.

Further in his statutory declaration, Mr Hodge states:

He demanded that we rescind that minute and contract with Mr Hill. We did not.

The Hon. G.A. INGERSON: I have answered this question before the House.

Members interjecting:

The SPEAKER: Order! The House will come to order.

OPPOSITION LEADER'S COMMENTS

Mr BROKENSHIRE (Mawson): Is the Premier concerned that recent comments by the Leader of the Opposition may have a negative effect on investment opportunities in our State?

The Hon. M.D. Rann: Did you get this from Cliff Walsh?

The SPEAKER: Order!

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader will come to order.

Mr BROKENSHIRE: If the Leader would stop knocking and start—

The SPEAKER: Order! The member will ask his question.

Mr BROKENSHIRE: In the media recently, the Leader of the Opposition said that 'gringos with broad accents are coming to town and telling us what to do'.

The Hon. J.W. OLSEN: I was surprised to hear of the Leader's comments and his sudden dislike for Americans, particularly as I understand that the Leader regularly visits the United States to pick up the latest American campaign techniques. The ETSA debate seems to be drawing out the real Mike Rann. The veneer of bipartisanship is wearing thin, and that smiling face of concern which the electorate saw answering the telephone in the campaign before the last election has been replaced by this cheap, snarling shot.

This is a comment that we might expect from a One Nation spokesman, not from someone who presents himself as the alternative Premier of this State. Perhaps the Leader would like to go to Salisbury and Elizabeth and use that phrase to describe the people who are pouring investment into US-owned General Motors-Holden's or perhaps he might like to go to Mitsubishi and talk about its investment in this State or tell Microsoft and other hi-tech companies that we are trying to attract into South Australia that they have the wrong sort of accent and that as a result they ought to stay out of town, because that is the inference from the statement made by the Leader on radio. This State needs investment to create jobs.

Members interjecting:

The SPEAKER: Order!

The Hon. J.W. OLSEN: If the Leader believes that we should start putting cultural and ethnic bans on investment, he should simply come out and say so. To be charitable to the Leader, I suspect that his rush for one liners is a device to hide his ignorance and his fundamental 'no policy' position. When you do not have a position you resort to one liners.

The Leader's response to the Government's comprehensive statement yesterday is predictably political and completely devoid of any alternatives. As I pointed out to the House yesterday, the Leader has no alternatives to deal with debt or to protect our competition payments, and he has no alternatives to our plan to avoid risk. Following the last election, the Leader made an offer of bipartisanship on the major issues that affect South Australia. I am sure that we all remember that: he wanted to be bipartisan in respect of his key major issues.

Unfortunately, either he did not mean it or he has yet to find a major issue upon which to be bipartisan. I do not think that there is much doubt that the impact of the national electricity market represents a major issue for South Australia. After all, competition policy was initiated by his Party when it was in Government. It was the Labor Party that put in place the competition policy and principles. The National Electricity Market is not an invention of this South Australian Liberal Government. The fact is that it is a reality.

His colleague the Premier of New South Wales has no doubt about what he wishes to do with his utilities. He understands the need for change; he understands that moving to put $25 billion worth of assets on the market means that he gets better return for New South Wales vis-a-vis South Australia. Perhaps that is what the Leader wants to do. Does he want to help New South Wales before helping South Australian taxpayers and our future in this State?

So, to assist the Leader, so that he can understand the issues and in the hope that he will rediscover bipartisanship, I have written to the Leader today—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader will come to order.

The Hon. J.W. OLSEN: I have written to the Leader of the Opposition offering to make available Treasury and members of the sales team to brief the Parliamentary Labor Party—the whole Labor Caucus. I can assure him that he and his Caucus colleagues will be given the same detailed information and presentation which was provided to Cabinet and members of any Party seeking that information.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Premier will resume his seat. I am sorry to interrupt him. The Leader will stop interjecting. I have called him to order twice. He has been cautioned once. I do not want to get to the stage of having to warn the Leader. I expect the Leader to set the standard in the House. The Premier.

The Hon. J.W. OLSEN: I can assure the Leader that if he makes available his whole parliamentary Party to the briefing and to the sales team that they will not be restricted in the questions they can ask. If he wishes, he can bring along the media to the briefing and presentation for the whole parliamentary Party.

The Leader is very happy to raise questions and claim that they have not been answered. He is very happy to avoid offering any alternative approach, any alternative policy, so I invite him and all his parliamentary colleagues to listen to a full briefing and then tell us what their alternative policy might be.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order!

THOROUGHBRED RACING AUTHORITY

Mr FOLEY (Hart): My question is again directed to the Deputy Premier. Why did the Deputy Premier continue to tell the Parliament on 18 June that he had 'no role at all as Minister in matters involving Mr Hill' and also 'it is not my role to be involved' when he had made a further telephone call to the Chairman of the South Australian Thoroughbred Racing Authority attempting to influence the Chairman about Mr Hill's suitability as Chief Executive Officer, despite having told the Parliament previously no such calls occurred? Mr Hodge's letter, which is supported by a statutory declaration, states:

> On 14 July 1997, the *Advertiser* ran a story on the Victoria Park Race Course, the cost of making the Heritage Stand safe... Mr Hill's photograph appeared with this article.
>
> Following that story Mr Ingerson rang me between 10 p.m. and 11 p.m. My wife answered the telephone and Mr Ingerson attempted to influence me about Mr Hill's suitability as a CEO. Following this volatile conversation we concluded this somewhat acrimonious discussion.

The SPEAKER: Order! Before calling the Deputy Premier, I point out a technical matter: to make the statement 'to tell the House' is different from telling or making a statement to an Estimates Committee.

Members interjecting:

The Hon. M.D. RANN: I rise on a point of order, Mr Speaker. Are we to assume from your answer that Ministers are free to totally misrepresent or not tell the truth to Estimates Committee hearings?

The SPEAKER: The technical answer is 'No.'

The Hon. G.A. INGERSON: During the Estimates Committee there was at length questioning in relation to this issue by the member for Hart. He has it on the public record and, if he checks it, he will see what I said.

Members interjecting:

The SPEAKER: Order!

ELECTRICITY, PRIVATISATION

The Hon. G.M. GUNN (Stuart): Will the Premier confirm that after 2003 the Australian Competition and Consumer Commission will control transmission pricing regardless of whether ETSA-Optima is sold? If this is the case, what impact will it have on pricing for country power consumers?

The Hon. J.W. OLSEN: In fact, on the modelling that has been done, a city such as Port Augusta (because it is close to the generators) and towns and cities in the South-East close to the interconnector will have reduced energy costs, because they are not on a long transmission line which has dissipation of power and voltage over it. Until 2003 the Government has given a commitment that power price increases will be less than inflation and that city and country households will have the same price. We will put in place a pricing audit to ensure that that occurs. That all changes after 2003, when the ACCC controls transmission pricing. That is a fact over which we have no control. What seems to escape the Leader of the Opposition and Ms Kanck in another place is that post 2003 the ACCC will control prices and regulation on transmission lines: the State Government will not have the capacity.

How can Ms Kanck say that in the future nothing will change when, clearly, things will change substantially? The regulatory price setting will be done by the ACCC. Whereas Governments in the past have had the capacity to do so, in the future State Governments will not have capacity in that area. We will give consumers in country and regional areas some degree of certainty. We will put in place a new industry structure which has been deliberately modelled and which means that most consumers in country areas will pay 1.7 per cent less than city users after 2003. The modelling, the system and the structure we have put in place gives guarantees and certainty to consumers on price post 2003.

If we do nothing, if we take the Labor Party position of nothing and the Democrats position of nothing, there is no guarantee for country and regional areas of South Australia. You want to expose country and regional areas to any price fluctuations post 2003: you just want to leave it to the ACCC to make those decisions. We will not sell out country and regional areas of South Australia. In the industry structure we will include a mechanism by which the maximum is 1.7 per cent. As I have mentioned, cities such as Port Augusta and places in the South-East close to the interconnector where there is not the voltage drop will see improvements in their electricity prices. It is only at the extreme of those transmission lines and distribution networks that the 1.7 per cent might apply, and that will be for a quite small number of consumers in that area.

Over and above putting in place the structure permanently and *ad infinitum* to the 1.7 per cent to protect country consumers, the Government will establish a special deposit account at the Treasury to ensure that there is back up in the unlikely event that country customers will have to pay more than the 1.7 per cent. Not only will we put the structure in place to secure it but we will establish a deposit account to make absolutely sure. It is simple. If you do not sell ETSA, there are no guarantees: if we sell ETSA, we have a guarantee for country pricing. That is the sum total. The fund will have a sunset clause which we expect will be some 10 years from 2003, in other words, in about 15 years from now.

After that point the Government has made a commitment that, if there is a Liberal Government, we will maintain that account for top-up for protection, should that be the case. The Liberal Government is going over and above that which will take place after 2003. The Opposition has no policy to look after country regional areas after the year 2003. Under the Kanck and Rann plan, which is no plan, there will be no guarantees for country consumers. Prices will rise for country users of power. We make no apology for the fact that we have deliberately in policy settings set about to protect, ensure and guarantee the rights of South Australian country consumers regarding electricity prices. First, they can get choice; secondly, they can then make a judgment on choice and price of supplier; but, thirdly and importantly, the structure that is put in place gives them that degree of protection.

THOROUGHBRED RACING AUTHORITY

Mr FOLEY (Hart): Given the Deputy Premier's answers to my two previous questions, how can he now explain the existence of a letter from the then Chief Executive Officer of the South Australian Thoroughbred Racing Authority, Mr Merv Hill, written on 26 June 1997, the day after the first telephone call from Mr Ingerson to Mr Hodge, when Mr Hill wrote to his solicitor seeking legal advice on the status of his employment contract? Mr Hill said:

> On 25 June 1997 the Minister for Racing, G. Ingerson, rang the Chairman of SATRA, Mr R. Hodge, expressing outrage at the SATRA decision and demanded that SATRA rescind its arrangements with me.

Who is telling the truth, Mr Ingerson? Mr Hodge or yourself?

The SPEAKER: Order!

The Hon. G.A. INGERSON: Is it not true that Mr Hill's friend actually worked in a Labor Party office?

Mr Foley: That's absolutely correct.

The Hon. G.A. INGERSON: Perhaps we ought to put that on the record as well.

Members interjecting:

The SPEAKER: The Chair cannot hear the Minister.

Mr Foley interjecting:

The Hon. G.A. INGERSON: I just want to get it into perspective.

Members interjecting:

The SPEAKER: Order! The Chair cannot hear the Minister.

The Hon. G.A. INGERSON: I was questioned at length over this issue in the Estimates Committee and I have put my position on this issue on the public record. I have a statutory responsibility as Minister—

Mr Foley: I have a statutory declaration saying—

The SPEAKER: Order! The member for Hart will come to order.

The Hon. G.A. INGERSON: —and I put that on the record. I have had no formal involvement. As I said, I have had no involvement at all.

Mr Foley interjecting:

The Hon. G.A. INGERSON: I put it on the public record and it is there for everyone to see.

MATTER OF PRIVILEGE

The Hon. M.D. RANN (Leader of the Opposition): Mr Speaker, I rise on a point of order concerning a matter of privilege.

Members interjecting:

The Hon. M.D. RANN: They do not like dealing with the truth, do they? No! Mr Speaker, I rise on a matter of privilege and I believe I should be listened to in silence by the Premier—

Members interjecting:

The SPEAKER: Order! That will be for the Chair to determine.

The Hon. M.D. RANN: Yet again I find myself forced to ask you, Mr Speaker, to rule *prima facie* whether a case for misleading the House has been made. We have just heard a range of allegations against the Deputy Premier which, if true, clearly support a finding that the Deputy Premier misled the House on 18 June 1998 during Estimates Committee deliberations. On that day the member for Hart asked the Deputy Premier:

> Did you have discussions with anyone involved with the South Australian Thoroughbred Racing Authority where you requested and indicated your preference for Mr Hill's contract to be terminated?

To this question the Deputy Premier replied unequivocally 'No.' He has confirmed that to this House—not just to the Estimates Committee—today. Today we also heard the contents of a letter written by Mr Rob Hodge, a prominent South Australian Liberal and a close acquaintance of you, Sir, a letter supported by a statutory declaration which asserted strongly that the Deputy Premier made two telephone calls to the then Chairman of the South Australian Thoroughbred Racing Authority in which the Deputy Premier made a demand of, and attempted to influence, the Chairman in relation to the employment of the then Chief Executive Officer of that organisation.

We have also heard some of the contents of a letter, written just one day after one of the telephone calls that Mr Hodge asserts took place, which adds considerable weight to the existence, timing and contents of the 25 June 1997 telephone call. We have heard that Mr Hodge's wife answered the telephone when it is asserted that the Deputy Premier rang on 14 July 1997. The Deputy Premier's replies to questions today, rather than allaying my fears, increase my concerns that he may have misled the House today as well as the Estimates Committee on 18 June.

I believe that the truth of the matter can be determined only by the establishment of a Privileges Committee, which would have the powers of a royal commission for the calling of witnesses. It is vitally important that Mr and Mrs Hodge are interviewed, first by you, Sir, and then by a Privileges Committee. I therefore ask you to rule that a *prima facie* case of misleading the House has been made, and I ask you to give precedence to a motion to establish a Privileges Committee to examine the question of whether the Deputy Premier misled this House on 18 June 1998. It is interesting that once again the Premier and Deputy Premier regard the Deputy Premier's position as a joke; we do, too.

Members interjecting:

The SPEAKER: Order! The Chair will have regard to the statement made by the Leader of the Opposition. I will study *Hansard* and report back to the House at the earliest opportunity. The member for Colton.

ADELAIDE 36ers

Mr CONDOUS (Colton): Will the Premier advise the House of any efforts he has made to ensure that South Australian fans can see the crucial and possibly deciding grand final basketball match involving the Adelaide 36ers and South East Melbourne Magic tonight? I understand that the host broadcaster, the ABC, was intending to provide only televised highlights of this important match. Following the 36ers' win on the weekend in the first of the three match series, the team is now in Melbourne for the second match tonight.

The Hon. J.W. OLSEN: This is an important match tonight for all Australian basketball fans. The 36ers have had a meteoric season, and against the odds they have made it to the top of the National Basketball League. That is a real credit to them and to the coach, Phil Smyth. Earlier this week I was advised that the ABC would be able to telecast only highlights of the match, so I took up the issue with the ABC State Manager, Mr Michael Mason. Mr Mason advised my office a short time ago that the ABC will now be replaying the full NBL match at 10.5 this evening on Channel 2. ABC Radio 5AN will also be broadcasting the match live from 7 p.m. Mr Mason went to considerable effort to achieve the result, including lobbying the Sydney management. I commend Mr Mason and the ABC in Adelaide for their efforts in ensuring that South Australian sports fans have access to this important event. The ABC's commitment to local sports coverage in this State is extremely important in developing this major facet of community life. I am sure the House will support me in unanimously wishing the 36ers the best of luck in tonight's match, which will possibly result in their first grand final win since 1986.

LEGISLATIVE PROGRAM

Ms HURLEY (Deputy Leader of the Opposition): Given that the Premier told the House yesterday that the sale of ETSA is 'the most significant policy issue in this State for the past 20 to 30 years,' why has the Government decided not to proceed with the debate on the first ETSA privatisation Bill this evening; and is this to ensure that the Premier can attend the basketball match in Melbourne tonight? On the weekly legislative program the only business before the House today was to be the Electricity Corporations (Restructuring and Disposal) Bill. However, late this morning the Government advised the Opposition that private members' business will be brought on instead. The Premier had originally committed himself to speak at an important multicultural forum in Adelaide tonight, and the Government had sought a pair after the dinner break on that basis. We understand that the Premier told the media today that he was going to Melbourne to meet with Jeff Kennett about tax reform. Is this meeting happening at half or three-quarter time?

The Hon. J.W. OLSEN: What an inane question from the Deputy Leader of the Opposition—what spoilers members opposite are! We are proposing (and the Deputy Leader of the Opposition agreed with the Leader of Government business in the House) that the matter go through to the conclusion of the second reading debate and that we go into Committee tomorrow. The Committee stage will then be concluded and deferred until such time as the restructuring Bill is tabled in the Parliament, to ensure that members can see that the principles outlined in my ministerial statement are contained

in the structural legislation. That is the basis upon which I have had discussions with the Independents, who have sought that assurance. I am happy to oblige in that respect. If they want to see that draft legislation incorporating the principles that is fine by me, and that is the basis upon which the program has been put together.

The purpose of my visit interstate is to safeguard the rights of the States in taxation reform and to ensure that we, the States, are not short changed in revenue flow. Given that it is anticipated that the tax package will be coming out within weeks, discussions are taking place at a State level to ensure that fixed, guaranteed revenues are coming to the States and that those positions are established. On several occasions in the past few weeks and again this morning I have had discussions with the Premier of Victoria on that matter and a number of other matters.

In relation to the 36ers playing tonight, am I concerned about being there? No, I am not. Here is a South Australian sporting team, of whom I happen to be No.1 ticket holder, and proud of that fact. We are going interstate to champion a sporting interest for this State. The Crows saw the endorsement they have in South Australia, and I have no doubt that the 36ers have the same sort of broad endorsement throughout the community. If they show the Vics no mercy tonight I will be there, cheering all the way, and I am sure I will have many South Australians supporting that endeavour. Talk about the Deputy Leader of the Opposition's spoiling tactics! Not only are members opposite carping, criticising and opposing but they must also have a spoiling tactic. I wish the 36ers every success, and I hope they bring home the National Basketball League championship to South Australia. If they do, they will demonstrate once again how our sporting prowess is ahead of that in other States of Australia.

Is it not interesting? Here we are on the fourth or fifth question and yet members opposite have not mentioned the main policy issue of the past couple of decades. Not one question have they asked yet about the electricity restructuring—the most important policy issue. What do we have? We have an Opposition that, every time it is in trouble, employs a tactic to divert attention away from the matter of substance, and why? Because it has no policy alternative. If it has no position to explain, it then uses every diversionary tactic it can think of. We see the Opposition demonstrating yet again today why it should remain in Opposition. It has no heart in South Australia, no spirit for South Australia and no plans for South Australia.

MEDICARE

Mr SCALZI (Hartley): With the Medicare agreement expiring at midnight last night, will the Minister for Human Services advise the House on the implications for our public hospitals and the people of South Australia?

The Hon. DEAN BROWN: The State hospitals now operate without a signed Medicare agreement between the State Governments of Australia and the Federal Government. I assure South Australians that the public hospitals will continue to operate in exactly the same way as they have over the past month with the signed Medicare agreement. The only problem is that we will not have the additional funds we would expect. The Commonwealth Government will be making monthly payments to the State Governments and those payments will be going entirely to the public hospitals, as would have occurred if there had been a signed agreement.

The people of South Australia are not losing out at all in terms of not having a signed agreement. What they would share with the State Government—and I hope the Opposition supports us on this—is the need for additional funds. I will give some facts on what is occurring currently in South Australia. We are in the middle of a flu epidemic. There is enormous pressure on our public hospitals and on public hospitals throughout Australia. We have been in touch today with most of the other States of Australia. All are experiencing almost exceptional levels within their public hospitals, as we currently have here.

To give an example, in the intensive care unit of the Flinders Medical Centre we currently have 22 or 23 patients in a unit designed to take 15 patients. We have had to transfer to an adjoining recovery area about seven or eight patients and put them under intensive care provisions, but they are under less than satisfactory conditions. This reveals the sort of pressures occurring throughout the whole of Australia because of the drop out from private health insurance. This is the very reason why as a State Government we are asking for additional funds.

The Opposition raises the point about extra funding and whether we have made a cut. This Liberal State Government in the past year put $77 million more into our public hospital system than was put in at the beginning of the Medicare agreement, which was when Labor was in office. So, there has been no cut in funding: in fact, we have increased the funding by $77 million. The Federal Government in the same period increased its funding by only $13 million. We can look at the increase in the workload that has occurred since the last Labor Government. For instance, we have now almost 30 000 additional admissions each year in our public hospitals compared with when Labor was in office. In the past year we had 61 000 more emergency cases in our public hospitals compared with when Labor was in office, and about 66 000 extra outpatients present themselves to our public hospitals compared with when Labor was in office.

We can see from those figures that we are treating a substantially larger number of people in South Australia. We have put in the additional money to ensure that that occurs. The disturbing fact is that we are due to start a new Medicare agreement period and the hospitals are under immense pressure, yet in the Medicare agreement there is no growth factor that takes account of the 7 to 8 per cent growth in admissions we are currently experiencing in our hospitals.

Flinders Medical Centre reported to me in the past 24 hours that in the year just finished (1997-98) admissions were up 8 per cent. Therefore, hospitals are under immense pressure. Some cracks are appearing. Some of the incidents occurring are less than satisfactory—I am first to admit that as Minister. Having seven people in the recovery area rather than in the intensive care unit is less than satisfactory. They are receiving care, but the situation is less than ideal. People in emergency departments having to wait so long is equally unsatisfactory and less than ideal, even though they receive treatment whilst they are there.

The situation is difficult. We are coping, particularly with this unique increase in demand with the flu epidemic that is more intense than in previous years with greater numbers presenting themselves to our public hospitals, and it has occurred earlier. I thank the staff of the hospitals who are working overtime in terms of ensuring that they cope with the additional patients. The system has functioned remarkably well and will continue to function remarkably well, despite those additional pressures. Most importantly, South Aust-

ralians can be assured that our public hospitals continue to operate at a high level of care, despite the fact that no Medicare agreement has been signed.

FINANCIAL REVIEW JOURNALIST

Ms HURLEY (Deputy Leader of the Opposition): Will the Premier advise how much South Australian taxpayers spent in bringing Mark Skulley to Adelaide to write in the *Financial Review* on the Premier's latest announcement on the power industry? Did this include air fares and accommodation and will any other journalists receive such benefits to comment on the Government's announcement? Today's *Financial Review* contains an article on the Premier's latest power announcement by Mark Skulley and Simon Evans. The footnote to the article reads:

Mark Skulley travelled to Adelaide as a guest of the South Australian Government.

The Hon. J.W. OLSEN: I make no apology for that fact at all. We are about marketing and selling South Australia nationally and internationally. The Deputy Leader would not even understand that. She does not understand the importance of repositioning and remarketing South Australia in the marketplace. We have this tag, as a result of the last Labor Government, of being a rust belt, a debt ridden State with no capacity for future investment. We are about proving that wrong and, if that means bringing in a senior journalist from interstate to have a look and a full briefing on what we have to offer, so be it.

How penny-pinching is this Opposition? We will look at the record of the Bannon Labor Government and at what it did during its term and we will get some examples that might well embarrass the Deputy Leader of the Opposition if she wants to waste time in being so penny-pinching in that regard. This is the point: $2 million every single day is being wasted as a result of the former Government's mismanagement. The Leader of the Opposition was on radio today saying the $200 000 to $250 000 campaign in explaining the position on the electricity asset sale was not a good use of public funds. That is equivalent to about two or three hours of the interest bill that is chalked up every day as a result of the mismanagement of the former Labor Administration.

We are talking about a $4 billion to $6 billion (according to the *Financial Review)* asset sale. If you are going to go through the process of asset sale, do you not tell the marketplace that it is for sale, do you not encourage the marketplace to come and look at the product, do you not try to sell the product to the marketplace to ensure that when it gets to market you get the maximum price? Is that not in the interest of every South Australian? I would have thought that we want to maximise the price to maximise debt retirement to save the $2 million every single day that we pour down the drain as a result of Labor's mismanagement.

The Deputy Leader has the temerity and the hide to come into this place and ask the first real question on this most important policy area about an air fare. That is the substance of the Deputy Leader's position. The Deputy Leader ought to be embarrassed. If Opposition researchers upstairs cannot do better than that, they are either setting you up or they are so incompetent that the Opposition needs to get new researchers. If that is the best the Opposition in this State can come up with in terms of a question on the most important policy issue since Roxby Downs, there is no hope for the Opposition.

Mr Brokenshire interjecting:

The SPEAKER: Order! The member for Mawson will come to order.

YEAR 2000 COMPLIANCE

The Hon. R.B. SUCH (Fisher): Will the Minister for Government Enterprises outline what help the Government is providing to assist South Australian businesses come to terms with the millennium IT bug?

The Hon. M.H. ARMITAGE: I thank the member for Fisher for a very important question about a subject which will have particularly long-term consequences if it is ignored. Members of the House would undoubtedly be aware of the year 2000 millennium date problem, which is a particularly serious—

Members interjecting:

The Hon. M.H. ARMITAGE: It's not a bug, and that is why I am not describing it in those terms. It is a serious issue, with the potential to affect all computer software, and it needs to be addressed well before 1 January 2000. The member for Hart, who is my shadow Minister in this, called it a bug. Clearly, it is not a bug; it is nothing more than a date problem, where the year 2000 may be seen as the year 1900. It has absolutely nothing to do with a bug. However, the significance of the issue can be clearly understood if you look at all the effects that vital equipment failure might lead to in a variety of situations. For instance, if teacher payroll systems are checked so that they are year 2000 compliant and teachers can be paid, that is obviously a bonus. However, school security systems need to be checked, and school sprinkler controls need to be checked to make sure that the school ovals are watered over the summer break.

Computer controlled machinery may well be the main concern for business but, if airconditioning controls for factories are not year 2000 compliant, they may affect working conditions if they fail. Mr Speaker, a number of members of your former calling, the pharmacy area, are checking their computer system for prescription labels, and one would hope that they are year 2000 compliant. What is the point of pharmacists having their prescription labels as year 2000 compliant if the people who supply the drugs to them have not made their system year 2000 complaint, and the drugs are not available even to be labelled? A restaurant PC may well be fixed so that it can punch out menus. However, if the suppliers of the food do not have year 2000 compliant equipment, obviously the restaurants cannot function. There are a huge number of flow-on effects of not being year 2000 complaint. An initiative is coming up in early July to overcome a number of these issues with the State being involved in the national year 2000 strategy.

Mr Foley interjecting:

The Hon. M.H. ARMITAGE: The member for Hart is again coming back on this millennium bug.

Mr Foley interjecting:

The Hon. M.H. ARMITAGE: Yes, of course, that is undoubtedly what the popular press is calling it. However, I would have thought that the shadow spokesman in this area would understand the facts of the matter.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: It is very popular with you; you read it every single day. The national year 2000 strategy has been put in place by a joint Government, business and industry group to raise awareness of this year 2000 problem and, importantly, to help develop strategies to address the problem. In South Australia, we have

a task force which will help to raise awareness hopefully across smaller businesses and regional areas, to work within and with the national campaign to make sure that businesses and the community are well aware of the problem.

A brochure has been printed, with 229 000 copies already distributed through the Retail Traders Association, the Chamber of Commerce, and so on, and it has a tear-off year 2000 Health Check, as it is known, with questions such as, 'Have you checked all your electronic equipment and environmental control systems in your business and buildings, and so on?' It gives a quick guide to fixing the year 2000 problem, which basically starts off by saying, 'Identify the problem.' It is a major potential problem. Living in an age of technology, it is not something that can be ignored until the year 2000. South Australian businesses, Government and local communities must prepare for it as of early next year.

CHILD CARE

Ms WHITE (Taylor): Why did the Premier claim that the $1 million from his Premier's fund would provide a significant funding boost to assist child care in South Australia when State funding for child care under the control of the Commonwealth-State agreement has been cut by $1.5 million over the next three years? On 2 June, the Premier told this House that the Government had allocated an extra $1 million to child care from a new Premier's fund. The Opposition now has a copy of a leaked budget briefing document which shows—

Members interjecting:

The SPEAKER: Order! Members on my right will come to order.

Ms WHITE: —that the Government is cutting $1.5 million in State funding over the next three years by acquitting a portion of its contribution under the Commonwealth-State agreement for child care.

The Hon. M.R. BUCKBY: The $1 million that came from the Premier's fund was much appreciated by the child-care community. As the Opposition member would recognise, there have been significant cuts from the Commonwealth in the child-care area, both to community child-care centres and to out of hours school care. Letters I received from that sector indicated that they were undergoing some hardship. A number of agencies had to close and a number of amalgamations had to take place.

I went to the Premier and he was advised of these concerns of the child-care sector. From his Premier's fund, he generously gave $1 million of new money to the child-care sector. The child-care sector has been extremely responsive and appreciative of that move by the Premier. Through the department, we have been able to talk with the various community child-care centres. We have said to them that, as long as there is long-term viability within their centre, they will be eligible for a one-off grant this year. The sum of $600 000 has gone towards community child-care centres and $400 000 towards out of hours school care. They will be eligible to apply for a grant to ensure that it gets them over this hump in Commonwealth funding. It is a response from the child-care sector and from the Premier, and I congratulate the Premier on taking that action.

TOURISM, REGIONAL

Mr VENNING (Schubert): Will the Minister for Industry, Trade and Tourism inform the House of what is being done to boost tourism numbers in regional areas? I note that the Government has given the first instalment of $2.6 million in funding towards regional employment, and I am keen to find out what is being done to promote regional employment from a tourism perspective.

The Hon. G.A. INGERSON: Before I answer the question, I would like to put on the record a couple of facts about the way this House is set up and the way the general business of this House is being conducted. One of the privileges I had as Leader under the previous Government was to deal with the Deputy Leader of the Opposition and, once you came to a decision with him, you knew it would stick. One of the differences—

Mr HANNA: I rise on a point of order, Mr Speaker. I refer to Standing Order 98; this has no relevance to the question. He may need to make a personal explanation. His answer is not relevant.

The SPEAKER: Order! I do not need the assistance of the member. I refer members to Standing Order 98 which provides, *inter alia*, in answering such a question the Minister must reply to the substance of the question and may not debate the matter. I remind the Minister that he is straying away from the substance of the question and ask him to come back to it.

The Hon. G.A. INGERSON: From a tourism perspective, it is important when you decide and set the agenda for where you want to go that you understand that, when you agree on the direction that you want to take when you are going from, say, Adelaide to the Barossa—

The SPEAKER: Order! The Deputy Premier is straying from the Chair's ruling. He will come back to the text of the question.

The Hon. G.A. INGERSON: The purpose of the—

Mr Clarke interjecting:

The SPEAKER: Order! The Chair does not need the assistance of the member for Ross Smith.

The Hon. G.A. INGERSON: The purpose of the question was to announce and support strongly today the direction which the Bed and Breakfast Association is taking in this State. At its meetings, this association sets out to deliver programs on tourism for the State. I know that members are not supposed to display material in the House, but I suggest that every member of this House obtain a copy of this magnificent presentation. It is one of the best on tourism in South Australia: it is about regional development and promoting small business.

The Hon. M.H. Armitage interjecting:

The Hon. G.A. INGERSON: I will get around to that in a moment. The point about this organisation is that two or three years ago it was voluntary, but it has now become very professional. I think this is the sort of track that we ought to go down in the running of this House. In respect of the development of regional areas, the point is that the Government is putting an extra $4.5 million into tourism promotion, the majority of which will end up in the regions and be of significant benefit to them.

This organisation and the program that it has released today will be one of the most important economic drivers for tourism in our State. I congratulate this organisation and, as I said earlier, I encourage everyone when planning their journey to obtain one of these brochures.

GRANTS FOR SENIORS PROGRAM

Ms RANKINE (Wright): My question is directed to the

Minister for Human Services. Given that the announcement of grants in 1998 for local seniors groups under the grants for seniors programs was made only yesterday, will the Minister advise whether the cheques have been drawn and whether the grants are being funded from the 1997-98 budget or the 1998-99 budget?

The Hon. DEAN BROWN: I will first consult with the Minister in another place. It is my understanding that the grants are for 1997-98 and that, therefore, will have been drawn from the 1997-98 budget, but I will check that. I understand that the cheques are ready to be sent out shortly and that all members of Parliament will be given cheques to hand out in their area. I will check on that with the Minister concerned.

MOUNT SCHANK ABATTOIR

Mr McEWEN (Gordon): My question is directed to the Deputy Premier as the Minister for Industry, Trade and Tourism. What support has the South Australian Government given to Rashad Aziz, the owner of Mount Schank Meat Works, who trades as Mount Schank Meat Processing Pty Ltd, Quality Meat Packing Pty Ltd, South-East Services Pty Ltd and Select Meat Exports Pty Ltd?

The Hon. G.A. INGERSON: About 18 months ago the Government provided an investment incentive program to the Mount Schank Meat Works to help it to achieve export standards. Some of that assistance was given to enable the facility to upgrade its production line and improve refrigeration. Assistance measures were given to aid local beef producers and to boost employment in the town. The department is obviously aware because of the significant publicity in relation to financial industrial relations concerns reported in the media last week and is monitoring the position.

I would also like to advise the honourable member that it is standard practice to require certain performance provisions in terms of investment employment, and with these provisions there are specific claw-back operations. For the information of the honourable member, the performance dates are 30 June 1998, which was yesterday, and 30 November 1998. The honourable member can be assured that these assistance programs have set rules: the department will be monitoring and following through on any areas that may be to the advantage or disadvantage of the community.

HEALTH FUNDING

Ms STEVENS (Elizabeth): Will the Minister for Human Services tell the House in dollar terms the total amount of all cuts to the Human Services budget for 1998-99 including the 1 per cent efficiency cut confirmed by the Minister in the Estimates Committee?

The Hon. DEAN BROWN: I highlight to begin with that the honourable member's claim is false. She starts from the perspective that we are cutting the budget when in fact we are not. We are spending 9 per cent more in real terms in the health area this year compared with what the Labor Party allocated when it was last in office—9 per cent more in real terms.

Ms Stevens interjecting:

The Hon. DEAN BROWN: I will come to that in a moment. I also point out that in 1997-98, as I have already indicated, we allocated about $77 million more for health care in South Australia than we did at the beginning of the Medicare Agreement. So, this Government has significantly increased the funding. I gave those facts to the House this afternoon.

Ms Stevens interjecting:

The Hon. DEAN BROWN: I am coming to the point. I have also indicated publicly—and the Premier has backed this up—that the same money would be allocated under the portfolio for public hospitals in South Australia in 1998-99 as was allocated last year in real terms and that on top of that there would be an allocation for the enterprise agreement that has been reached with the Nurses Federation—a 3 per cent increase from 1 July. That is additional funding.

The member for Elizabeth was present at the Estimates Committee. We went through all the details and pointed out to the Committee that a 1 per cent efficiency had to be achieved across the whole portfolio. I indicated to her then that we would specifically identify the dollar amounts and where that efficiency had been achieved. I assure the honourable member that that 1 per cent efficiency does not apply to the public hospital system. I gave the honourable member that assurance before that it would not apply to the public hospital system. Therefore, public hospitals will get the same amount of money that was allocated to them last year, collectively, plus money for the enterprise agreement, plus, if we decide, any additional money that needs to be allocated during the year. So I highlight to the honourable member—

Ms Stevens interjecting:

The SPEAKER: Order! The honourable member has asked her question.

The Hon. DEAN BROWN: I point out to the honourable member that her question is flawed to start with because there has, in fact, been no cut in funding for the public hospital system.

INTOXICATION AND THE CRIMINAL LAW

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I table a ministerial statement made in another place earlier today by the Attorney-General.

GRIEVANCE DEBATE

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

Ms STEVENS (Elizabeth): On Monday, I highlighted the extreme pressure under which the accident and emergency section of the Flinders Medical Centre is operating. I informed the House that a claim was made by the mother of a 20 year old intellectually disabled person that her daughter had spent 21 hours in the accident and emergency section before the hospital was able to find her a bed. This incident was reported by a number of television stations on Monday night. Interestingly, the Minister for Human Services featured in those media reports. His comments were essentially that this person received the most appropriate care in that section because she continued to have further seizures. That is outrageous. I point out to the House that the person arrived at Flinders Medical Centre having had one seizure and had three more seizures within the first hour—

The SPEAKER: Order! There is too much noise in the Chamber.

Ms STEVENS:—and then had to wait a further 20 hours. I do not think that is anywhere near good enough in our system. Mrs Jeanne Leigh-Tamblyn, the mother of that young woman, has asked me to read to the House her response to Dean Brown's comments in the media. The letter states:

> I wish to respond to the comments made by Dean Brown to the media concerning my daughter's 21 hour stay in the A&E department at Flinders Medical Centre. Does Mr Brown have a medical degree? No: made obvious by his ill-informed remarks that A&E was the appropriate place to deal with and observe Emily's convulsions as all necessary medical equipment was there. 99 per cent of the time Emily's seizures are managed at home. What medical equipment does he think I have at home? All she needed was oxygen which is by every bed in every ward.
>
> I had been informed that Emily was to be admitted within two hours of arriving at the hospital, but the staff didn't know how long this would take as there were no beds available in the whole of the hospital. As for being monitored in A&E, she had had two seizures overnight that no-one had seen and night staff reported to the day staff that she had had a quiet night. When I checked her washing I found her wet knickers and a wet bed which showed that overnight she had had fits.
>
> Her night medication was not administered until early next morning, even though I personally had told the staff that she had not had her medication when we first arrived at the hospital. Her morning medication was also late and given in the afternoon. So much, Mr Brown, for your statement of her needing to be in A&E for the most appropriate care. I have spent many years in and out of hospitals with Emily and my younger son, and all I can say is that in the last two years the hospital system has deteriorated alarmingly, thanks to your funding cuts. Tell John Olsen not to use my daughter's case to sell ETSA.

I would like to back up her comments, and I understand her rage at watching the Minister on television making that comment in view of what she and her daughter had endured. I might add that she is not criticising staff at Flinders Medical Centre—not in any way at all. What she is saying is: how can staff possibly run an accident and emergency department while trying to look after people on trolleys while more people are coming through the doors? After all, the A&E departments are only staffed for the number of bays and not to continue to care for people lined up in corridors waiting to be admitted.

She told me that it was horrific at Flinders; people were being shuffled from bay to bay; and her daughter was not the only person on a trolley in a corridor. Yet the Minister has the nerve to stand up in front of the media and actually suggest that the care she was receiving was most appropriate. I was pleased to hear him in the House today admit that things were less than satisfactory. They are certainly less than satisfactory, and it is not only his responsibility as Minister for Human Services to do something about it but also that of the Federal Government: it is a joint responsibility, a two-way street, and this State Government also stands condemned for the state of our hospitals at the present time.

The Hon. R.B. SUCH (Fisher): Today, I would like to raise a topic that is very close to my heart, that is, young people in our State, and I focus on skateboarding. For oldies like me it is not an activity we are likely to pick up, but this issue highlights some of the animosity in our community towards young people.

In my electorate, with the assistance of the City of Onkaparinga, I am trying to have established a bitumen area where young people can skateboard. I was surprised to receive a letter from a constituent saying that he did not want any such facility at all in the area. I wrote back to my constituent, respecting his view, of course, but pointing out that teenagers must be able to do useful physical activity somewhere, and no-one would suggest that a skateboard facility be next to a residential area. But, young people do have rights and they need to be able to use their energy in constructive ways.

Further, I wrote to the Minister for Education, to DEETYA, asking whether schools, in conjunction with the Local Government Association, could come to some arrangement in terms of public liability insurance, and so on, to designate areas of schools that could be used during non-school time for skateboarding. Thus far, the answer has not been positive but I am still pursuing it. I believe that, rather than having to construct new bitumen areas for skateboarding, it would make sense for skateboarders to use parts of schools properly designated for that activity.

I have also written to the Lord Mayor, for whom I have a great deal of respect, asking her to consider closing off some streets in Adelaide on a Sunday (as happens in Hobart) where skateboarders can use ramps and enjoy themselves listening to rock music and other music which seems to delight young people. I await the response from the Lord Mayor but I believe that, given her commitment to young people, we might make some progress in that regard.

In our community we still have a lot of hostility and antagonism towards young people. As a former Minister for Youth Affairs and someone who was responsible for creating the Youth Parliament and the Youth Media Awards and for writing the Youth Charter, I take great interest in the wellbeing of our young people. We often hear the cliche that young people are our future, but they are also our present.

Young people, whether eight or 18 years, are just as important as people who are 48 or 68 years, and people need to be reminded of that, especially in a population like ours which is rapidly ageing. Our young people are our most precious resource and I would urge the community rather than walk around them in shopping centres, avoiding them as if they were some kind of leper, to embrace them—not physically necessarily—as human beings and to interact with them.

Teenagers love a bit of banter and humour and interaction with people of various age groups. But, in shopping centres we often see an attempt to kick them out, to get the teenagers out, to move them on, when that is part of the village green of today and they have just as much right to be there as anyone else, provided they are obeying the law. I suggest that our community needs to continually remind itself that young people have rights and responsibilities and are entitled to be treated as are other citizens in our community.

I was dismayed to see that the Federal Government has cut AYPAC, the senior meeting of young people, the body that normally meets with the Federal Government to provide ongoing advice. The Federal Government has cut AYPAC to save the massive amount of a few thousand dollars. I think that is a silly approach, and to replace it with a group of 50 selected people from around Australia is the wrong way to go. I believe that the Federal Government should reconsider its attitude to AYPAC and reinstate it.

I was delighted that the Minister for Human Services recently announced the provision of psychiatric facilities for young people to be created at the Flinders Medical Centre. It is long overdue. Teenagers with psychiatric problems have been put in with young children at the Women's and Children's Hospital and that is totally inappropriate. I commend the Minister for changing that situation and bringing us closer

towards the twenty-first century in regard to the treatment of teenagers with depressive and other illnesses.

Finally, I pay tribute to Senior Sergeant John Wallace, who recently returned from a Churchill Fellowship. Sergeant Wallace is a fantastic police officer who is based at Hindley Street Police Station and who is committed to young people: if we had more police like him, we would have fewer problems with our youth.

Ms KEY (Hanson): I am pleased to follow the previous honourable member with regard to the issue of youth. Like him, I have concerns that I want to raise today. My sentiments echo the honourable member's views with regard to the Australian Youth Policy Action Coalition. Not only are South Australian youth not being heard on a national level but I believe that the Ministerial Council of Young South Australians, despite two years of discussion about who might be on that South Australian committee for youth, still has not met or had any deliberations regarding a policy on youth in South Australia.

I refer to the Hallett Cove skateboard ramp. Normally, it would be inappropriate for me as a member to raise issues about someone else's electorate. As a result of people from the honourable member's electorate contacting my office, I raised this with the good member concerned and told him that I intended to raise this issue. Obviously, I suggested that the people in question speak to their local member first. A number of youth organisations also contacted me about the Hallett Cove matter. As I understand, this skateboard ramp is quite controversial. A number of comments have been made about the local member concerning which he can defend himself in his own area, so I will not raise them today. But there seems to be disagreement in the local community about the merits of having the skateboard ramp. I understand the concerns of residents living nearby in terms of noise and other issues, but the fundamental question is: are there enough facilities in the area to entertain young people?

I understand that the electorate of Bright has unfortunate statistics similar to those of Hanson, with a considerable number of unemployed young people in that area. According to the Australian Bureau of Statistics, Hallett Cove has twice the State average number of unemployed males between 15 and 24 years of age. I am advised by the different youth organisations in the area and by the youth council that many of those people in that age group are particularly attracted to skateboard ramps as a recreational activity. As I said earlier, I have had a number of telephone calls from local residents who have said that the local member has described the facility built by the Marion council last year as a 'monumental disaster' and a 'concrete graffiti-infested mess'. I note that in a recent letter to the Holdfast Bay council, which is also considering building a skateboard ramp, the local member said:

> I remain concerned about the consequences of the construction of these facilities and also the fact that their construction and handover to an unstructured group of individuals is at the expense of moneys being allocated to organised, productive sporting organisations.

I thought it interesting that the honourable member would use the word 'unstructured'. I wonder whether the honourable member was ever 'unstructured' in his youth, or whether he can remember what it was like to participate in activities not necessarily organised by sporting organisations. I am a little concerned that that is a very narrow view of how young people should spend their time or of where priorities for resources should go, but we may continue to disagree on that issue.

I have also received telephone calls from parents in the Hallett Cove area. I assume that people are contacting me because of my shadow responsibilities in the youth affairs area. I point out that that is why I think they are contacting me because, as I said, in these cases I have directed people to their local member. If someone from another electorate contacts me, I think it is important for the local member to deal with the issue first. Many of these people have told me that they think that, although a number of young people in that area do act irresponsibly, the majority of teenagers are responsible and just want to burn off some energy.

Mr McEWEN (Gordon): I am quite happy to support the member for Hanson should she wish to change the name of her seat. I congratulate the Premier on making a decision to be part of the South Australian contingent going to Melbourne tonight. I think that too often we do not take the opportunity to champion and be part of success, so it is great to see the Premier doing that. Today, I will not talk about—

Mr Clarke interjecting:

Mr McEWEN: You look more like a basketballer than anyone else in this place! In talking about championing success, I refer this afternoon to a Minister whom I do not consider to be particularly successful, namely, the Minister for the Environment and Heritage. Yesterday, the member for MacKillop asked the Minister a question about the legality of a water levy that the Minister recently gazetted in relation to the South-East Catchment Water Management Board. The Minister suggested that the member for MacKillop should look at other areas of the Act and, further, that both the member for MacKillop and the Economic and Finance Committee should seek a briefing on the Act. A briefing is necessary, but the person who ought to take the opportunity to be briefed is the Minister herself. Let me explain why. To support my claim, I will set out briefly some events that occurred in the first half of this year.

The Minister gazetted a section 121 report under the Water Resources Act on 9 April 1998 in relation to the South-East Catchment Water Management Board. On 14 April the Minister then gazetted a levy under that section of the Act. The Minister then announced the formation of the South-East Catchment Water Management Board on 15 May. On 25 June the Minister revoked her levy gazetted on 14 April. We are getting used to the Minister doing things and then revoking them. On 25 June the Minister revoked the gazetted levy of 14 April, and on the same day she gazetted a new levy at a lower rate. This is where the difficulties come to bear, because in so doing I believe the Minister herself should have taken some time to read section 122(3) of the Act.

Let me remind the House again of the Minister's action on 15 May, because on that day she announced the formation of a South-East Catchment Water Management Board. This meant that after that date she could no longer in her own right under section 121 either cause a report to be published or declare a division 1 levy, because section 122(3) of the Act provides:

> Where the water resource is in the catchment area of a board, a levy declared by the Minister under this section must be set at a level that will return an amount that is as near as reasonably practicable to the amount stated in the board's catchment water management plan as the amount to be raised by way of levy under this Division—

the key now being that the catchment water management board is part of the process, but it has published no such plan.

Now, the Minister has gazetted another levy without the plan being in place. I contend, as did the member for MacKillop, that this levy is not valid, because it was gazetted after the Minister formed a board. Therefore, I believe that section 121(3) of the Act is triggered. Hence, as a matter of urgency, I call on the Minister again to revoke the levy and, in turn, to seek some legal advice, because if this is not done the irrigators of the South-East will challenge the new levy in court and refuse to pay it, which will cause further embarrassment for the Minister. Mr Deputy Speaker, as someone who is very familiar with the Act you can see that it is a difficult and complex matter and that the Minister ought to take some time over this matter or get some better advisers, because the somersaults and backflips we in this place are seeing are becoming quite monotonous.

Mr KOUTSANTONIS (Peake): This morning, I was very excited to receive finally Ms Gallus's Adelaide Airport Curfew Bill. After seven years I finally have it in my hands, but I have to say that it is not worth the paper it is printed on. I have read the draft Bill submitted to the Federal Parliament. This private members' Bill is a disgrace. Basically, the member for Hindmarsh has relaxed the curfew further: instead of banning flights between 11 p.m. and 6 a.m. she now wants the curfew to apply from 12 midnight to 5 a.m. Basically, the honourable member is taking another two hours' sleep from the residents of the western suburbs. The shadow Minister, Mr Lindsay Tanner, was lobbied successfully by Labor's candidate for Hindmarsh, Mr Steve Georganaf, to move an amendment to Ms Gallus's Bill that would provide insulation for houses worst affected by the flight path.

As members recall, before the 1996 Federal election both Prime Minister Paul Keating and Opposition Leader John Howard agreed that that issue was far too important to leave to politics and that, whichever Party won the election, houses in the worst affected areas in every major capital city would be provided with insulation. Of course, as that was not a core promise by the current Prime Minister, the matter was dropped. After successfully lobbying Mr Lindsay Tanner, Mr Georganaf, with the agreement of the Federal Parliamentary Labor Party in Canberra, sought to move an amendment to Ms Gallus's Bill, and surprise, surprise, what did the Government do? It voted against it. The Government is opposing Labor's amendment to include insulation for houses in the flight path for those owners seeking it. I find that amazing, and the member for Hanson is astonished about it as well.

It is unbelievable that the member for Hindmarsh, who claims to be an advocate for the western suburbs, would take such a shoddy piece of legislation to the Federal Parliament. I know that Steve Condous would not tolerate that. Indeed, I am sure Steve has not seen the Bill, either. This is the commitment of the member for Hindmarsh: she has not even shown her parliamentary colleagues a copy of the Bill—and I see the member for Colton covers his mouth; he does not want to say what he thinks of Ms Gallus on this issue, but we all know that he is a keen supporter of Ms Gallus.

It has fallen on me to show the Speaker and the member for Colton a copy of the Bill. It was not the member for Hindmarsh who sent me a copy, and it was not the Minister for Transport, Mr Vaile, but Senator John Quirke who went down to get the Bill because the member for Hindmarsh does not see it as being important to distribute her legislation to stakeholders in her community. I asked a Question on Notice of the Minister for Transport as to when she had first seen this curfew Bill, which I have seen today for the first time. In reply to my question, she tells me that she was first advised and shown a copy of the Adelaide Airport Curfew Bill in March 1997, over a year and a half ago; and now, finally, the member for Hindmarsh commends the Bill to the House of Representatives. In her own speech to the House, in her first speech in seven years on Adelaide Airport, she says:

> The legislation makes it clear that no planes may land between the hours of 11 p.m. and 6 a.m. unless there are extraordinary circumstances.

Of course, we went through the legislation to find out what 'extraordinary circumstances' might mean. There is no definition in the Bill, so 'extraordinary circumstances' means whatever Qantas and Ansett may feel like implementing, or whenever the Premier decides that we need to make the State look like it is moving; so, we will allow aircraft to take off at 4 o'clock in the morning. This is absolutely pathetic. You would think after seven years in the House of Representatives in Canberra that as a shadow Minister—I am sorry, she has been thrown out of the shadow Ministry—the member for Hindmarsh might have some clout or the ability to draft a private member's Bill that would actually achieve something. Her Bill is not worth the paper it is printed on, and every resident of the western suburbs is right to be outraged about this private member's Bill.

The Bill does absolutely nothing. It does not go far enough, and the member for Hindmarsh has broken her promise in the Bill. If Ms Gallus had any decency at all she would resign, because she has shown her true colours—

The DEPUTY SPEAKER: Order! The honourable member's time has expired.

Mr CONDOUS (Colton): The more I read about it, the more I continue to be amazed by the Pauline Hanson/One Nation factor. While I will not criticise her, I am now going to start criticising all the right wing loonies who come out because, after all, we are judged in life by the company we keep. I refer to a recent letter published in the *Australian*. This letter reflects the message that continues to escalate of the latest right wing loonies to crawl out from under the proverbial rock in the wake of the Queensland election. Members should listen, because they will be interested in this letter, written by a person in Western Australia, which states:

> We are sick of having our taxes taken to support godless minorities. We are sick of losing our land to the Aboriginals. We are sick of our guns being taken by the Fabian socialists in Canberra. Ms Hanson is a great Australian patriot. The White Australian Revolutionaries stand ready to begin the struggle she has called for. We do not wish to provoke or use violence, but we will use whatever means necessary to defend our land and our heritage. This may include direct action against places where sodomites, perverts, illegal aliens and race traders gather.

If that does not put fear into members, I am surprised, because I went through a race-based Australia in the mid-1940s when I attended Sturt Street Primary School. I can tell members it was not pretty coming home every night with blood on my shirt and my clothes torn because I had fought every day about things I had been called. Pauline Hanson wants a monocultural society. That means we have to say to the Italians that they can no longer hold their Carnavale, that the Greeks have to give up the Glendi Festival and the Germans should give away entirely the Schutzenfest. It means the Dozynski Festival held by the Polish will have to go by the wayside and, if we have Chinese friends, we should not attend Chinese new year's eve celebrations, with the same

prohibition applying to the other 151 nationalities comprising small groups such as the Vietnamese, people from the Philippines, Morocco, Portugal and Cambodia. They should all go under a rock and forget about their culture!

What do we want to go back to? I address this question not to Pauline Hanson or One Nation but to every decent Australian in this country. Do we want to affect our trade base and exports from Australia to other South-East Asian countries? Do we want a divisive Australia? Do we want a 'them versus us' mentality? Pauline Hanson wants to go back to the 1960s. Let us not do that. Apparently, we should go back to the mid-40s, when Greeks and Italians were placed in the 'dago' category. Why should we not tattoo our Jewish friends on the back of their hands as the Nazis did during the Second World War! Do we want to put all our Asian migrants with almond-shaped eyes—Pauline Hanson says she does not mind Asian migrants (she has changed her mind), as long as they are treated the same as we are—and yellow skin in a category when most of them are proud Australians making significant contributions to the development and growth of this State and country?

Do we want the graffiti artists to become active with their black paint spray spreading their message 'Asians out'? We are a multicultural community, a kaleidoscope of colour bringing together history, culture, religion, music, arts and food to enrich our community and our lives and providing us with a better understanding and tolerance of each other so that we can live in peace and harmony as a united, hard working, progressing and developing South Australia.

Pauline Hanson wants migrants to be able to speak English before they come to Australia. Let me quote some of the people who could not speak English when they came to Australia. I refer to Sir Arvi Parbo, who could not speak a word of English but who went on to become one of the greatest industrialists Australia has ever seen. I refer to Sabemo, one of the biggest companies in Australia involving fine gentlemen such as Mr Moratelli, Mr Belgiorno and Mr Salteri, who became directors of that company. Let me talk about one of the biggest concrete companies in Australia, Pioneer Concrete, of which Sir Tristan Antico became a director. I do not want to go back to living in a country without tolerance, where people are called names and given no chance to express their rights.

The DEPUTY SPEAKER: Order! The honourable member's time has expired.

STATUTES AMENDMENT (MINING ADMINISTRATION) BILL

The Hon. R.G. KERIN (Minister for Primary Industries, Natural Resources and Regional Development) obtained leave and introduced a Bill for an Act to amend the Mining Act 1971 and the Opal Mining Act 1995. Read a first time.

The Hon. R.G. KERIN: 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 Bill has been prepared by the Government to enable several amendments of an administrative nature to be made to the *Mining Act 1971* and *Opal Mining Act 1995*.

An important amendment to both the Acts deal with the establishment of a Mining Native Title Register. Native title provisions introduced in June 1996 provided that proponents wishing to explore or mine on land subject to native title must negotiate mining native title agreements with the holders of native title. Alternatively, if agreements cannot be reached or there are no parties with whom to negotiate, the proponents may seek a determination in the Environment Resources and Development Court to enable such exploration or mining to proceed.

The parties to such mining native title agreements may not want the terms of the agreements made public as they may contain private commercial dealings which could set unnecessary precedents. This Amendment Bill therefore provides for the parties to such agreements to nominate whether the terms of the agreements should be kept confidential or be available to the public for viewing.

Regardless of the process nominated by the parties, the Mining Registrar will be required to keep a Register for public inspection which will include details of the land involved, the exploration authority or production tenement to which it relates, the parties bound by the agreement or determination and any other information that may be prescribed by regulation.

The details of agreements and determinations will be cross-referenced to other parts of the Mining Register but those details required to be kept confidential may only be inspected by persons authorised under the Act.

Other proposed amendments outlined in this Bill relate to the charging of fees for services provided by the Mineral Resources Group of PIRSA. Following a review in November 1997 of the services provided by the Group and those services provided by similar interstate agencies, it became apparent that fees were not being charged for a range of services provided.

Accordingly, in line with Government policy, it has been decided that, where appropriate, the Mineral Resources Group should charge fees for services provided to industry and the public and, where possible, those fees should contribute towards full cost recovery.

Due to the comprehensive assessment process of all agreements and determinations relating to native title being lodged with PIRSA, it is agreed that a lodgement fee should be imposed under the *Mining Act* which will be in line with the fees provided for the same service under the *Opal Mining Act*.

In addition, one of the major areas of concern centres on the advertising of exploration licence (EL) applications. The requirement to advertise the proposal to grant an EL in both a state-wide as well as a regional newspaper came into effect in June 1996 with the State's new native title legislation. Since that time, the cost of the additional advertising has increased to $145 000.

A scaling system of fees for advertising based on the size of the EL area sought by the proponent was therefore considered the most appropriate way to charge industry for the cost of advertising. The larger the area applied for, the higher the advertising fee to be imposed.

Other areas highlighted in the review were the need to remove an anomaly in the *Mining Act* in relation to the charging of rental for exploration licences, and the introduction of fees to cover administrative procedures involved in assessing and preparing applications for Safety Net Deeds, special approvals and variations of tenement conditions.

The Bill, when enacted, will also remove certain fee anomalies which exist within the legislation and therefore provide a consistent approach with respect to both the *Mining Act 1971* and the *Opal Mining Act, 1995.*

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure will be brought into operation by proclamation.

Clause 3: Interpretation

This is an interpretative provision.

Clause 4: Amendment of s. 6—Interpretation

A definition of 'Mining Register' is to be included for the purposes of the *Mining Act 1971*.

Clause 5: Amendment of s. 15A—Register of mining tenements, etc.

Section 15A of the *Mining Act 1971* is to be amended to make it clear that a right to inspect the Mining Register operates subject to the other provisions of the Act.

Clause 6: Amendment of s. 31—Fee
This amendment will make it clear that the regulations may fix various methods for calculating a fee for an exploration licence, and may fix differential fees.

Clause 7: Amendment of s. 34—Grant of mining lease
This amendment will make it clear that a mining lease can be granted to the holder of a retention lease.

Clause 8: Insertion of s. 63ZBA
This clause provides for the creation of a Mining Native Title Register as part of the Mining Register. It will be possible to keep various registered agreements and determinations confidential, subject to specified exemptions.

Clause 9: Amendment of s. 92—Regulations
This clause amends the regulation—making powers under the *Mining Act 1971* with respect to the prescription of fees under the Act.

Clause 10: Insertion of s. 70A
This clause provides for the creation of an Opal Mining Native Title Register in a manner similar to the Mining Native Title Register.

Clause 11: Transitional provisions
Existing agreements under Part 9B of the *Mining Act 1971* or Part 7 of the *Opal Mining Act 1995* will be taken to be agreements that are to be kept confidential under the new arrangements unless the parties to an agreement notify the Mining Registrar otherwise.

Ms HURLEY secured the adjournment of the debate.

BARLEY MARKETING (DEREGULATION OF STOCKFEED BARLEY) AMENDMENT BILL

The Hon. R.G. KERIN (Minister for Primary Industries, Natural Resources and Regional Development) obtained leave and introduced a Bill for an Act to amend the Barley Marketing Act 1993. Read a first time.

The Hon. R.G. KERIN: 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 purpose of this amending Bill is to deregulate the domestic, or non-export, stockfeed barley market in South Australia.

The *Barley Marketing Act 1993* was reviewed in 1997 under the National Competition Policy review of Legislative Restrictions on Competition jointly by this Government and the Victorian Government. One of the recommendations of this review was that the domestic stockfeed barley market be deregulated during the 1998/99 season.

Specifically, deregulation of the domestic stockfeed barley market is to be accomplished by amending the current *Barley Marketing Act* to remove the restrictions on—

- who may sell or deliver stockfeed barley;
- who may transport stockfeed barley for sale or delivery;
- who may buy stockfeed barley from a grower.

The effect of this Bill will formalise what is, by and large, already practice, as the Australian Barley Board is not active in enforcing the requirement that persons wishing to purchase barley for stockfeed purposes directly from a grower obtain a permit authorising the person to do so.

The barley harvest in South Australia can begin as early as mid October. Since most stockfeed barley in the State is now marketed through the Australian Barley Board, deregulation of the stockfeed barley market at an early date is critical to avoid confusion during the harvest.

It is intended that deregulation of the stockfeed barley market will take effect from 15 October 1998 in both South Australia and Victoria. The commencement provision included in the Bill will allow this to be co-ordinated.

I commend the Bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement
These clauses are formal.

Clause 3: Amendment of s. 33—Delivery of barley and oats
Section 33(1) and (2) of the principal Act provide that, subject to the Act, a person must not—

- sell or deliver barley to a person other than the Australian Barley Board (ABB); or
- transport barley which has been sold or delivered to a person other than the ABB or bought in contravention of section 33(4).

It is proposed to insert new paragraph *(da)* in section 33(3) which provides that section 33(1) and (2) do not apply to barley sold to a person who purchases the barley for use in Australia for stockfeed purposes.

The effect of proposed new paragraph *(a)* to be inserted in section 33(4) is that a person must not buy barley from a grower except under a section 43 licence (*ie* a maltster's licence) issued by the ABB or if it is for use in Australia for stockfeed purposes.

New subsection (4a) is proposed to be inserted which provides that a person must not use barley sold for use in Australia for stockfeed purposes for any other purposes.

The other amendments proposed by this clause are consequential.

Clause 4: Amendment of heading to Part 5

Clause 5: Repeal of s. 42
These amendments are consequential.

Ms HURLEY secured the adjournment of the debate.

PRIMARY INDUSTRY FUNDING SCHEMES BILL

The Hon. R.G. KERIN (Minister for Primary Industries, Natural Resources and Regional Development) obtained leave and introduced a Bill for an Act to make provision for schemes establishing funds for primary industry purposes; to amend the Livestock Act 1997; and for other purposes. Read a first time.

The Hon. R.G. KERIN: 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 purpose of this Bill is to provide a legislative based ability to raise funds to any group within the primary industry sector, something that they have sought from Government for several years.

Similar schemes operate in Victoria and Western Australia. Industry representatives from these States consider that access to such schemes has been a major factor in the ability of their industries to favourably position themselves in the national and international marketplace. The South Australian proposal combines elements from both interstate schemes.

This facility was previously available in South Australia to only the pig, cattle, deer, wheat and barley industries. There is general agreement from representatives of these industries in South Australia that the power to raise and expend funds on an industry group basis has resulted in significant benefits to all members of the industries concerned.

The Bill is the result of an extensive public consultation process through which industry took a lead role in the development of policy, with Government placing itself in a facilitation role. The industry representatives involved during this phase are to be congratulated for the effort they have put into this process and the final product.

More than 600 copies of both a Green and White Paper dealing with the development of this Bill were circulated to primary producers, processors and service providers to the primary industry in South Australia for comment. Throughout the consultation process industry has continued to express strong support for the principles contained in the Bill.

The Bill proposes that the Minister may establish a fund for a sector after undertaking due consultation with participants in the industry sector concerned. Funds raised will then be controlled by representatives of the contributors to the fund. A number of safeguards have been built into the proposal to ensure that industry representatives will retain control and decisions on expenditure are for the good of the industry.

This Bill offers all groups within the primary industry sector a tool that will enable them to work together to ensure that their industries maximise their strategic advantages and continue to meet the challenges from an ever increasing global market place.

I commend the Bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

Clause 3: Interpretation

This clause contains definitions necessary for the purposes of the measure.

Clause 4: Establishment of fund

This clause provides for the establishment of a fund for a particular sector of primary industry by regulation. Consultation with industry members is required before establishment of a fund.

The clause contemplates that a fund is to be administered in accordance with the regulations by the Minister or an approved society or association or a board of trustees appointed by the Minister. Establishment of a consultative committee to advise the person or body administering a fund is also contemplated.

Clause 5: Approval of society or association to administer fund

This clause establishes the criteria for approval of a society or association as the body to administer a fund.

Clause 6: Contributions to fund

This clause requires the scheme for contributions to a fund to be established by regulation and sets out some examples of the sorts of schemes that might be put in place.

Clause 7: Application of fund

The purposes for which a fund may be applied are to be set out in the regulations or trust deed or rules of the society or association administering the fund.

If a compensation scheme is involved, the details of the scheme are to be established by regulation.

Clause 8: Advances if fund insufficient to meet compensation payments

This clause is similar to section 8A of the current *Apiaries Act* and enables a short fall in a compensation fund to be met from the Consolidated Account at the discretion of the Treasurer.

Clause 9: Management plan for fund

Rolling 5 year management plans are required for each fund. The plans must be presented on an annual basis to public meetings.

Clause 10: Audit of fund

This clause requires proper accounts to be kept and audited.

Clause 11: Annual report for fund

An annual report for a fund must include the audited statement of accounts and the current management plan. The report must be laid before each House of Parliament.

Clause 12: Appointment of examiner of fund

This clause enables the Minister to appoint an examiner for a fund to report on financial aspects of the fund.

Clause 13: Winding up of fund

This clause enables the Minister to appoint an administrator to wind up a fund if the Minister is satisfied that would be in the best interests of the primary industry sector for which the fund is established.

Clause 14: Obtaining information for purposes of audit, examination or winding up

This clause assists an auditor, examiner or administrator in obtaining necessary information relating to a fund.

Clause 15: Board of trustees or society or association administering fund not agent of Crown

This clause makes it clear that a board of trustees of a fund or a society or association administering a fund is not to be regarded as an agent of the Crown.

Clause 16: Regulations

This clause provides general regulation making power.

Schedule: Amendment of Livestock Act 1997

The Schedule contains consequential amendments.

The provision for similar funds contained in the *Livestock Act* is removed.

It is envisaged that funds currently set up under the *Apiaries Act*, the *Cattle Compensation Act*, the *Deer Keepers Act* and the *Swine Compensation Act* will be re-established under regulations under this measure. The *Livestock Act* currently provides for the repeal of those Acts. As it may take a considerable length of time to negotiate these matters with industry, the Schedule includes an amendment excluding the application of the provision of the *Acts Interpretation Act* for automatic commencement two years after assent.

Ms HURLEY secured the adjournment of the debate.

CITY OF ADELAIDE BILL

The Hon. M.K. BRINDAL (Minister for Local Government) obtained leave and introduced a Bill for an Act to establish mechanisms to enhance the role of the City of Adelaide as the capital city of South Australia; to make special provision in relation to the local governance of the City of Adelaide; and for other purposes. Read a first time.

The Hon. M.K. BRINDAL: I move:

That this Bill be now read a second time.

The State Government is unambiguously committed to the rejuvenation of the City of Adelaide. In the past decade the attention of policy in relation to the City of Adelaide has turned towards its role and function in the context of South Australia's needs as a community and as an economy that is ever increasingly affected by international influences, technological changes, global competition and better communications. At the same time, the city must resolve a number of persistent problems, such as the static commercial property values, the rapid decline in retailing activity and the high vacancy rates in commercial buildings. Studies in governance arrangements for the city in reports ranging from the Adelaide 21 Report to the City of Adelaide Governance Review Report have consistently found that the wider metropolitan, State and national interests in the city centre do not fit comfortably within the current local government structure.

The Adelaide 21 Report noted the inherent structural problems of the council, including organisational isolation from other local governments and tiers of government; in-built tensions between the investment and commercial importance of the State's capital and the proper representational requirements of residents; and too many members for focused decision making. While some of these problems can be and have been alleviated by improved relationships, structural changes are necessary to ensure that the future governance of the capital city is guided by the requirements of the twenty-first century, rather than hamstrung by the procedures and preoccupations of the past. This Bill makes these changes.

The City of Adelaide is of vital importance to South Australia for at least three reasons: first, its cultural, knowledge, religious and commercial status and identity; secondly, its unparalleled concentration of private and public assets; and, thirdly, its geographic centrality within the metropolitan area. For these reasons the City of Adelaide assumes particular priority in the State's long-term development. In recent decades, business, Government and council have not worked well together. This is changing, and the City of Adelaide Governance Review process has been instrumental in fostering that change.

There is increasing evidence that there is not only a sense of determination but also a renewed commitment by all parties to ensure that the city centre is positioned to make the best use of its assets and to seize the opportunities as they arise. This requires the establishment of mechanisms which provide the best possible business climate for the city centre, build investor confidence, formalise good working relationships between the State Government and the city council and establish priorities for joint action by both levels of Government. This Bill provides those mechanisms.

The City of Adelaide Governance Report recommends special legislation to demonstrate commitment to the city by the council and the Government and to lay a strong foundation for action. The Bill is to be read in conjunction with the Local Government Act. The specific provisions of this Bill will override any inconsistent provisions in the Local Government Act, but otherwise Local Government Act provisions will continue to apply to the City of Adelaide. Although some of the provisions in this Bill have benefited

from the work done in the course of preparing consultation drafts for new legislation to replace the Local Government Act, the measures in this Bill are particularly adapted for the City of Adelaide and take into account its unique role and characteristics as a capital city.

It is not intended that the provisions of this Bill will establish precedents for local government generally in South Australia or in any way predetermine the outcomes of the new local government legislation. This Bill introduces arrangements for the governance of the City of Adelaide to give effect to the Government's approach to the final report of the City of Adelaide Governance Review Advisory Group.

Mr Clarke: Spoken with passion!

The DEPUTY SPEAKER: Order!

The Hon. M.K. BRINDAL: I will leave the passion to you. Tribute must be paid to the work of the Governance Review Advisory Group, comprising Annette Eiffe, Chairman of the Local Government Boundary Reform Board; Malcolm Germein, Chairman of the Local Government Grants Commission; and Neill Wallman, a Commissioner of the Environment, Resources and Development Court. The group consulted extensively with a broad range of people on what might be the best governance arrangements for the City of Adelaide. Their report was based on extensive research on urban regeneration and the relationship of cities' governance arrangements to their health and prosperity.

The report noted that the City of Adelaide would benefit from a shared vision and strategy for the City of Adelaide, respectful and cooperative relationships between the State Government and the Adelaide City Council and a strong and democratically elected council with a capacity to fulfil its capital city and municipal roles. Submissions on the GRAG report were invited, and the common ground in these submissions was a focus on clarifying the roles of Government and other sectors in ensuring sustainable development of the city. There was a remarkable consensus on the majority of the GRAG report recommendations, with different views revolving around a small group of policy issues:

1. North Adelaide—whether or not it should be retained within the Adelaide City Council boundaries;

2. The representative structure of the council—the number of members and whether its constituency should be area wide or based on geographic wards;

3. The form of the institutional link between the State Government and the council for the purposes of coordinating strategic development for the city and whether that should be provided through a commission for the City of Adelaide or another form of joint collaborative arrangements;

4. Electoral issues, such as compulsory voting and the property franchise.

On 8 May 1998 the Premier released *The Government of South Australia's Proposed Approach to the City of Adelaide's Governance Review* and *The South Australian Government's Capital City Development Program* for public consultation. On 2 June the Consultation Draft City of Adelaide Bill was sent to the Lord Mayor, all aldermen and councillors and the Chief Executive Officer of the Adelaide City Council, all parliamentary Parties and Independent members, the Local Government Association and interested peak bodies for comment.

The Government has in good faith made every effort to ensure extensive consultation on its proposed approach to the Bill. It has been able to take into account the views expressed by the council, the Lord Mayor and the Chief Executive Officer of the council, other council members, the Independents, the Democrats, the Local Government Association, individuals and organisations that made submissions to the Government.

Mr Clarke interjecting:

The DEPUTY SPEAKER: Order!

The Hon. M.K. BRINDAL: I seek leave to have the remainder of the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

Only the Labor Party rejected the offer of a meeting to discuss the draft Bill.

The Capital City Development Program sets out a cohesive plan for the city. The Program is to be jointly endorsed by the State Government and the Adelaide City Council. The Program draws together, for the first time, three inter-related elements:

The Capital City Policy is a broad statement of the preferred directions for the city, and is intended to guide both State Government and the Adelaide City Council and assist decision makers in the private sector.

The Capital City Strategy states more specifically the actions to be taken by the State Government and the Adelaide City Council to implement the Policy.

The Capital City Implementation Program explains who is undertaking which particular programs and projects and also sets out how the Government and the Council will work together.

The Capital City Development Program rests on supporting growth industries, providing twenty first century information technology and upgrading the city's physical and natural appeal.

The fundamental issue in the rejuvenation of the City is not land and buildings. It is about generating new demand, particularly through growing new markets for existing city businesses. The so-called knowledge industries are most likely to generate employment. The city hosts the greatest concentration of business services and facilities for higher education, the arts and culture, health, tourism, and medical services in South Australia.

Because of this concentration of services and facilities, the State Government envisages that the city centre, that is, the commercial heart of the city and its immediate environs, will play a leading role in the Government's attempts to foster an enterprising community, which is capable of assembling the technical, intellectual and managerial skills required of an advanced economy and society. There is no intention to redistribute activity or prevent future growth occurring elsewhere in the Metropolitan area or the State, or to relocate any functions back to the city centre. The challenge is to capitalise on the city's existing strengths to rejuvenate the city centre in a way which enables the city to add value to the further development of the State's economy.

The Government's ambition is to make the city centre more attractive, accessible and enjoyable so that it remains the heart of the South Australian economy and community.

This Bill provides an institutional link between the Government and the Council, which preserves the independence of the public and private sector bodies involved in the development of the city but assists them to make better, informed decisions and to coordinate their efforts to achieve optimum results.

Rather than the Commission recommended by GRAG, this will take the form of a Capital City Committee, made up of the Premier, or his/her nominee, two government Ministers, the Lord Mayor, or another member of the Council if the Lord Mayor chooses not to be a member , and two other elected members of the Adelaide City Council, acting collaboratively in pursuing the rejuvenation of the city.

The GRAG model of a Capital City Commission comprised of officials from the State Government and the council has several weaknesses. The problem of the city is not the absence of a vehicle for development. Rather it is the lack of a formal mechanism for elected members of the State Government and the council to co-operate on an agreed strategy and to create the best climate for business investment. The GRAG model of a Commission of officials does not solve that problem.

The establishment of a Capital City Committee as provided for in this Bill will facilitate the essential political accommodation which is required between the State Government and the Council to address the needs of the city and will provide for a shared understanding of its strengths and agreement on initiatives to harness its potential. The Committee will formalise the good working relationships which have

been established in the last year between the Government and the Council.

The role of the Capital City Committee as provided for in the Bill will be to—

- identify key strategic requirements for the development and growth of the City of Adelaide as the primary focus for the cultural, educational, tourism, retail and commercial activities of South Australia. These would be in line with the policies for the Capital City as outlined in the Capital City Development Program;
- maximise opportunities for the effective coordination of public and private resources available to meet those requirements, and establish priorities for joint action by the State Government and the Adelaide City Council capable of being considered by the State Government and the Adelaide City Council as part of their budget processes;
- monitor the implementation of programs describing initiatives to be undertaken jointly and independently for the development of the City of Adelaide;
- make provision for the publication, as appropriate, of agreed key directions, strategies and commitments; and
- collect, analyse and disseminate information about the economic, social, environmental and physical development of the City of Adelaide in order to assess outcomes and identify factors which will influence future development.

The Committee is to convene a forum of members of the broader City of Adelaide community and seek the advice of, and share information with this group. The forum will be a means of disseminating information on the factors and issues influencing the development of the city, and will provide an opportunity for major stakeholders in the city, such as the universities and peak bodies representing property, retail, employer and community interests, to consider the policies and strategies for the development of the city, as well as proposals of individuals and agencies.

The Committee will take as its starting point the Capital City Development Program endorsed by the State Government and the Adelaide City Council. It will be required to meet at least four times a year, to monitor the implementation of the Capital City Development Program and to revise it on an annual basis. Whilst the Capital City Committee is responsible for preparing and monitoring the Capital City Development Program, it will remain the case that the Cabinet and the Council retain ultimate responsibility for endorsing the Program and allocating the necessary funds for its implementation. The actual delivery of the program will the responsibility of relevant officers of the various state government agencies and the Council in the usual way.

The Committee's programs, when approved by the State Government and the Council, will comprise expressions of policy formed after consultation within government and with the Capital City Forum. They do not detract from the powers of the State Government or the Adelaide City Council.

Given the nature of this Committee, it is considered appropriate that its operations not be subject to scrutiny by the Statutory Authorities Review Committee or other similar Parliamentary Committees.

Similarly, it is not considered appropriate that the documents dealt with by the Committee should be subject to the *Freedom of Information Act 1991* or Part 5A of the *Local Government Act 1934*. However, there will be no constraint on members of the Committee reporting back to the Council and Cabinet on the deliberations of the Committee. This Bill provides that the Government and the Council are entitled to access to documents dealt with by the Committee, unless such access would be in breach of a duty of confidence. It also provides that the Committee may place conditions on access to its documents.

The administrative and staffing costs of the Committee will be shared equally between the State Government and the Adelaide City Council. A Capital City Project Team will support the Capital City Committee, with the specific task of preparing the revised Capital City Development Program for the Committee to consider. The Project Team will replace the existing Adelaide 21 group which was always intended as a temporary measure pending resolution of governance issues.

A requirement of the Bill is for annual reports by the Committee to be presented by the Lord Mayor and the Premier to the Council and the Parliament respectively on the operation of the new collaborative arrangements.

The Premier will also be required, in consultation with the Adelaide City Council, to present a report to Parliament by the 30 June 2002 on any changes to the collaborative arrangements established under this Bill which may be appropriate. In preparing his report the Premier must ensure that the council has the opportunity to contribute to the report and to comment on the final draft.

I would like to recognise the contribution of the Lord Mayor, the CEO, and the council members and others who made submissions and participated in discussions on the new collaborative structures for the constructive and energetic way in which they have embraced the concept of the Capital City Committee and its potential.

The GRAG report recommended that the present boundaries of the City of Adelaide be retained. GRAG concluded after considering three options (expansion, contraction, status quo) that there was no convincing evidence that changing the boundaries at this stage would improve the governance of the city.

The Government considers that the revitalisation of the city is the major priority and accepts the GRAG Reports' view that changing the council's external boundaries now would distract from this task.

The Lord Mayor, the Council, and its management and staff have worked hard to improve the council's reputation and performance in an atmosphere of uncertainty and with an unwieldy representative structure. The council is now at a critical stage in developing, in collaboration with the Sate Government and on its own behalf, plans and programs for the future viability of the city, all of which have been based on the assumption that North Adelaide is to remain part of the City of Adelaide. Delaying resolution of governance issues for a further period will have debilitating effects on the ability of the Council to manage the complex issues facing the city.

There is also strong public support for retaining the current boundaries, based on a deeply-felt sense of history and identity. In May this year, a petition signed by 2 372 residents of South Australia was presented by the member for Adelaide, urging the Government to ensure that the existing boundaries of the Adelaide City Council remain, and that local ward representation by elected councillors be retained.

Under this Bill, the council will consist of the Lord Mayor as principal member elected at large and 8 councillors elected under the 3 ward structure at special general elections to be held later this year. The position of alderman is abolished.

The Bill provides that, commencing with the next term of the Council, no person would be eligible to hold the office of Lord Mayor for more than 2 consecutive terms.

The 3 ward structure proposed in the Bill is constituted of:

- Light Ward—named in recognition of the outstanding legacy of Colonel William Light's plan for the city—is north of the River Torrens, and elects 3 members;
- Kaurna Ward—named in recognition of the original inhabitants of Adelaide—is south of the River Torrens to the southern side of Victoria Square, together with parts of the business district south of Victoria Square and elects 3 members; and
- Mitchell Ward—named after Dame Roma Mitchell who has contributed so much to this State, including a term as Chair of the inaugural State Heritage Committee, and who has been a long term resident of the south east of the city—includes the remaining areas to the south-east and south-west and elects two members.

The ward option proposed is the best which could be devised given a number of constraints including—

- the Government's intention to reduce the number of councillors to 8
- a preference for keeping the whole of North Adelaide together
- the requirement that representation ratios (electors represented by each member) be equal within a maximum tolerance of 10 per cent, and
- to the extent that it is possible to do so given the variables which determine the outcome of any election (such as the number and type of candidates and the level of turnout of different groups of voters under a voluntary voting system), the need to maximise the chance of an overall outcome which balances 'business' and 'residential' interests and reflects the fact that the total numbers of residential and non-residential entitlements for the whole area are similar. This involves accommodating the fact that business interests as represented by 'non-residential' electors are concentrated in certain geographic areas.

A review of the composition and representative structure and the need for ongoing review is provided for. This will be initiated by the Minister in consultation with the council within seven years of the new arrangements unless relevant issues have been addressed by an earlier review.

A number of special arrangements for the City of Adelaide are introduced in this Bill to reinforce its unique role within the local government context. Another reason for including these arrangements is so that potential candidates at the special election to be held later this year are aware of the new arrangements and administrative provisions under which they will operate.

The role of the Lord Mayor and elected members is defined.

The Lord Mayor is the principal elected member of the Council representing the Capital City of South Australia and would provide leadership and guidance to the city community, maintain intergovernmental relations at all levels and carry out appropriate civil and ceremonial duties. As the principal member of the Council, the Lord Mayor is to provide leadership and guidance to the Council and carry out other relevant duties.

Members of the Adelaide City Council are expected to take a more strategic role, provide community leadership and guidance to the city community, keep council's goals, policies, corporate strategies and resource allocation under review and serve the overall public interest of the city.

'City community' in this context is defined as those who live, work, study, or conduct business in, visit, and use or enjoy the services, facilities and public places of, the capital city. In other words, once elected, councillors are clearly called upon to represent a wider community than is reflected by their 'elector' base.

The Bill provides that the council must, within six months of the special general election, prepare a code of conduct to be observed by the members of the Council.

The overall framework for allowances and benefits will be more flexible. Members of the Council will continue to be eligible for an annual allowance, which may vary from those for other councils. Members may also receive fees and reimbursements for the performance of official functions and duties, and this will allow for the payment of sitting fees.

The role of the Chief Executive Officer is also defined. The Bill makes it explicit that the CEO is responsible for employee matters on behalf of the Council.

The objectives of the Council in the performance of its roles and functions are specified to reflect the need for Adelaide City Council to be sensitive to the needs of people in the broadly defined city community.

The council's responsibility to engage in coordinated strategic planning for the city and the metropolitan area is established under the Bill.

The Bill also provides that the Council must prepare and publish a rating policy each year which links the Council's corporate plan, budget and rate structure. The policy will include reasons for the valuation method and use of any differential rates or service rates, issues concerning equity and rating impact, application of any minimum rate and council policy on discretionary rebates.

From 1 July 2003, the Bill prevents the council from using s193(4)(a) of the Local Government Act, which is a power to grant rate rebates for the purpose of securing the proper development of the area, to maintain its current residential rebate scheme. The council could still use other rating tools (eg a differential rate for residential use) for the granting of some rebates. It does not prevent the Council from granting a rate rebate to any specific development (residential or not) or from granting rebates to classes of non-residential development or to classes of residential development intended for the benefit of disadvantaged persons, students or other special groups. The Government's aim is to ensure that the Council's rating policy is one which still allows Council the flexibility to assist low income earners and long term residents who may not otherwise be able to live, or continue to live, in the city, without providing a concession which is of most benefit to owner/occupiers of the most valuable residential real estate and unfairly increases the rate burden on other ratepayers.

The interests of residents and non-residents are not mutually exclusive and can be brought together—city residents want a city which is prosperous and provides them with a stimulating environment and high quality services, and the character and quality of life in the city is a competitive advantage for business.

However there is a distinction between local interests and very narrow, parochial interests which can distract from the broad strategic perspective required to serve the broader city community.

The package of measures in this Bill, ranging from the reform of the Council's representative structure to provide balanced residential and non-residential representation to the way in which members roles are defined, should assist in bringing together these broader and local interests there residential and commercial interests and allow the council to demonstrate that it is acting on behalf of the whole city.

For the same reason the Bill provides that the council must include in its annual financial statements expenditure information related to its commitment to the Capital City Development Program, and its own economic development program for the city and make the relationship between its corporate plan and its rating, revenue and expenditure policies more transparent in its annual report.

The Bill provides that special elections be held for the Lord Mayor and other members of the council on the new ward boundaries on 7 December 1998 or if an earlier date is fixed by proclamation, on that date. The term of those elected at the special elections will expire at the May 2000 elections.

Joint owners/occupiers and corporate bodies will be able to exercise their vote via a member of the group or an officer of the company who makes an appropriate declaration of authority to vote on behalf of the group or company at the time of voting.

This will replace the need for enrolled joint owners/occupiers and corporate bodies to nominate a natural person for voting purposes before the closure of the roll. Failure to do so currently disenfranchises groups and companies entitled to exercise in excess of 3 000 votes.

The Bill also restricts a person from voting in more than once capacity in any election. This will overcome the perception of unfairness which arises from individuals exercising multiple votes, notwithstanding that each additional vote is exercised on behalf of a different partnership, group or entity entitled to vote.

The Government believes that this combination of measures should be acceptable to all except those who are either opposed to the retention of the property franchise in principle or, alternatively, want to see it expanded.

The Bill provides that elections for the City Council include the following features:

- voluntary voting;
- voting by postal ballot;
- the State Electoral Commissioner to be the Returning Officer, and costs to be defrayed by the council;
- a requirement for the roll to be publicly exhibited for at least three weeks prior to finalisation of its revision to provide residents, owners and occupiers with the opportunity to check and correct their entitlements;
- provisions which specify that the person who will exercise the vote on behalf of an enrolled corporate body or joint owner/occupier can nominate as a candidate;
- all candidates for election to be Australian citizens;
- continued use of quota-preferential proportional representation method of voting and counting.

Regulations will provide that all candidates must provide, at the time of nomination, personal information not exceeding the prescribed length, and a recent photo, for distribution to electors with the voting papers.

The Bill also provides for the making of regulations. Regulations governing any reviews of council composition and ward structure can only be made with the agreement of the council and the Government is committed to collaboration with the council on the drafting of any regulations made pursuant to the Act.

The combination of measures provided for in this Bill, including the Capital City Development Program, the Capital City Committee and the revised council structure and administrative arrangements, are intended to ensure that public resources are able to be targeted to greatest effect in the rejuvenation of the city and the maintenance and improvement of its quality of life.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure will be brought into operation by proclamation.

Clause 3: Objects

The objects of the measure are set out in this clause and principally are to recognise, promote and enhance the special role that the City of Adelaide plays as the capital city of South Australia, to provide collaborative arrangements based on intergovernmental liaison between the State and the Adelaide City council for the strategic development of the City of Adelaide, and to revise and enhance local governance arrangements for the City of Adelaide.

Clause 4: Interpretation

This clause contains the definitions that are required for the purposes of the Bill.

Clause 5: Interaction with Local Government Act

This measure is to be read with the *Local Government Act 1934* as if the two Acts constituted a single Act. This measure will prevail in the event of any inconsistency between this Act and the *Local Government Act 1934*.

Clause 6: Establishment of the Capital City Committee

The Capital City Committee is established.

Clause 7: Membership of the Capital City Committee

The Committee will consist of the Premier or another Minister of the Crown nominated by the Premier, two other Ministers of the Crown nominated by the Premier, the Lord Mayor or another member of the council, and two other members of the council nominated by the council.

Clause 8: Chairperson of the Capital City Committee

The Premier, or another member of the Committee nominated by the Premier from time to time, will be the chair of the Committee.

Clause 9: Deputies

This clause provides for the appointment of deputies.

Clause 10: Function of the Capital City Committee

The Committee is established as an intergovernmental body to enhance and promote the development of the City of Adelaide as the capital city of the State. The Committee may, for this purpose, exercise various powers and functions.

Clause 11: Programs

A *Capital City Development Program* will be prepared by the Committee. The Committee may prepare or adopt other programs. A program will be subject to endorsement or adoption by the State Government and the council and is to be taken to be an expression of policy (and not a substantive or binding document affecting rights or liabilities).

Clause 12: Proceedings

The Committee will be required to meet at least four times in each year.

Clause 13: Subcommittees

The Committee will be able to establish subcommittees to assist it in the performance of its functions.

Clause 14: Staff, etc.

This clause provides for administrative and staffing arrangements for the Committee. Staffing and administrative costs will be shared equally between the State and the council.

Clause 15: Delegation

The Committee will be able to delegate a function or power under the Act to a specified person or body, or to a person occupying a specified position. A delegation may be subject to conditions or limitations, will be revocable at will, and will not prevent the Committee from acting itself in a matter.

Clause 16: Reporting

The Committee will be required to provide an annual report on the operation of the collaborative arrangements established under or pursuant to the Act in a particular financial year.

Clause 17: Review

The Premier will prepare a report by 30 June 2002 on the operation of the collaborative arrangements established under or pursuant to this Act since its commencement, and on changes that should be considered or implemented to improve or enhance those arrangements. The Adelaide City Council will be involved in the preparation of the report. Copies of the report will be tabled in Parliament.

Clause 18: Protection of information

Various documents prepared for the purposes of, or in connection with, the Committee (or a subcommittee or delegate of the Committee) will be taken to be exempt documents for the *Freedom of Information Act 1991* and Part 5A of the *Local Government Act 1934*.

Clause 19: Committee not to subject to Parliamentary Committees Act

This clause expressly provides that the functions and operations of the Committee may not be subject to inquiry under the *Parliamentary Committees Act 1991*.

Clause 20: Constitution of Council

The Adelaide City Council will, from the relevant day (defined to mean the day on which the general election to be held pursuant to this Bill concludes), be constituted of the Lord Mayor and eight other members. A person will not be able to hold the office of Lord Mayor for more than two consecutive terms (although service as Lord Mayor immediately before the relevant day will be disregarded for the purposes of this provision). The constitution of the council will be able to be changed by proclamation following a review under clause 22.

Clause 21: Division of area into wards

The area of the council will, from the relevant day, be divided into three wards described in schedule 1 of the measure. The ward structure of the council will be able to be changed by proclamation following a review under clause 22.

Clause 22: Review

The Minister will be able to conduct a review into the constitution of the council, and the division of the area into wards, in consultation with the council. At least one review must be conducted within seven years from the relevant day, and subsequent reviews must be conducted at least once in every six years following a previous review. A review will be conducted in accordance with the regulations. A review will form the basis of a proclamation under clause 20 or 21. A report on the making of a proclamation must be tabled in Parliament. This scheme will replace the internal review mechanisms under the *Local Government Act 1934* in respect of the council. However, any review under this provision will be required to address the question as to whether subsequent reviews should be conducted under the *Local Government Act 1934*.

Clause 23: Lord Mayor

This clause sets out provisions describing the role of the Lord Mayor as the principal local government elected member representing the capital city of South Australia, and as the principal member of the council.

Clause 24: Members

This clause sets out provisions describing the role of members of the council as members of the governing body of the council and as elected representatives on council.

Clause 25: Code of conduct

The council will be required to prepare a code of conduct for members within six months after the relevant day. A code will then need to be reviewed within 12 months after each subsequent general election. A code will need to be consistent with any requirement prescribed by the regulations.

Clause 26: Allowances

This clause makes special provision with respect to the allowances to be paid to members of the council.

Clause 27: Fees and reimbursement of expenses

A member of the council will be able to receive fees for the performance and discharge of official functions, and reimbursement of certain expenses.

Clause 28: Provision of facilities and support

The council will be able to provide facilities and other forms of support for members to assist members in performing or discharging official functions and duties.

Clause 29: Role of the chief executive officer

This clause makes express provision in relation to the role of the chief executive officer of the council.

Clause 30: Appointment of staff

This clause makes express provision about the responsibility of the chief executive officer for appointing, managing, suspending and dismissing the other staff of the council. Any staff appointment must be consistent with strategic policies and budgets adopted or approved by the council.

Clause 31: Objectives

This clause includes specific objectives for the council.

Clause 32: Strategic plans

The council will be expected to take reasonable steps to undertake, or to participate in, strategic planning for its area, and the State more generally (so far as is relevant to the City of Adelaide).

Clause 33: Rating policy

The council will be required to publish a rating policy for each financial year commencing with the 1999-2000 year. The policy will be required to address the relationship between the council's corporate plan, budget and rate structure, and other specified matters.

Clause 34: Rate rebates

A limitation is to be placed on the ability of the council to grant a rebate of rates under section 193(4)*(a)* of the *Local Government Act 1934* from 1 July 2003.

Clause 35: Financial reporting

The council will be required to provide various pieces of financial information.

Clause 36: Regulations

The Governor will be able to make regulations for the purposes of the Act.

Schedule 1: Wards

This schedule sets out how the area of the City of Adelaide is to be divided into wards from the relevant day.

Schedule 2: Special provisions for elections and polls

This schedule sets out various special provisions for elections or polls conducted for the City of Adelaide. (The provisions of the *Local Government Act 1934* will apply with respect to any matter not covered by this schedule, and this schedule will prevail to the extent of any inconsistency between the two Acts.) Clause 3 provides for a general election to be held on or before 7 December 1998. The term of office of a member elected at this election will be until May 2000 (*see clause 4*). Clause 5 sets out the qualifications for enrolment for elections for the council, including a scheme that will not rely on nominated agents for bodies corporate or groups. A special scheme for the revision of the voters roll is included in clause 6. Clause 7 sets out the entitlements to vote. Various qualifications will apply. A candidate for election as a member of the council will be required to be an Australian citizen (in addition to other relevant requirements). Postal voting will be used for all elections and polls (*see Part 5*). The method of counting votes will be the method set out in section 121(4) of the *Local Government Act 1934*. The returning officer will, after consultation with the council, be able to use a computer program to undertake various steps associated with the recording, scrutiny or counting of votes.

Schedule 3: Costs associated with establishing new ward structure

Various costs associated with devising the new ward structure are to be shared equally between the State and the council.

Mr CONLON secured the adjournment of the debate.

LOCAL GOVERNMENT (MISCELLANEOUS) AMENDMENT BILL

The Hon. M.K. BRINDAL (Minister for Local Government) obtained leave and introduced a Bill for an Act to amend the Local Government Act 1934. Read a first time.

The Hon. M.K. BRINDAL: I move:

That this Bill be now read a second time.

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

Leave granted.

Consultation is well underway on proposals to completely replace the current Local Government Act. This Bill makes some amendments to the Local Government Act which are necessary for practical purposes, pending the revision of the entire Act.

Firstly, it puts in place some interim arrangements for dealing with any changes to Council boundaries which might be necessary to process in the period from 30 September 1998 until the commencement of a new Local Government Act.

Under section 22G of the current Act, Division 10 of Part 2 establishing the Local Government Boundary Reform Board and the procedures for structural reform proposals expire on 30 September 1998. This will bring to an end a period of intense structural reform in Local Government and it is not the intention to extend the life of the Board as presently constituted. The success of the voluntary structural reform process overseen by the Board is notable. The number of Councils in South Australia has decreased from 118 to 69 since the passage of the Local Government (Boundary Reform) Amendment Act in December 1995. The Government is particularly proud of the achievements of the Board and acknowledges the dedicated work of its members, deputies and staff.

The provisions for changing Council areas, which will ultimately replace the Board process, are currently the subject of consultation with Local Government and the wider community.

In the interim this Bill provides for the operation of a Boundary Adjustment Facilitation Panel, by redesignating the Board as a Panel which can be constituted if necessary, with half the members of the previous Board, streamlined administration and restricted powers. The functions of the Panel are limited to completing any remaining work associated with Board-formulated proposals and processing any voluntary proposals lodged by Councils.

Secondly, before these new arrangements are put in place, the Local Government Boundary Reform Board will be required to prepare a report on the extent to which the statutory objectives of the structural reform program—a significant reduction in the number of councils in the State, a significant reduction in the total costs of providing the services of local government authorities, and significant benefits for ratepayers—have been met, and further opportunities which may in its opinion exist for structural reform. The report is to be tabled in Parliament within 12 sitting days of its receipt by the Minister. It will provide a formal means to recognise the work done by the Board and Councils and record experience accumulated in dealing with structural reform proposals and their implementation, as well as ensuring public accountability for the period of the Board's operation. Importantly, it will effectively ensure accountability to this House.

Thirdly, at the request of the Local Government Superannuation Scheme it is intended to amend the current section 75 requirement that the investment of funds generated under the superannuation scheme must be carried out on behalf of the Local Government Superannuation Board by investment managers appointed by the Board, to allow the Board to hold some direct investments. The requirement to appoint investment managers even for long-term investments means that, in some cases, significant management fees are paid for little more than reports of quarterly returns.

The Bill amends section 75 to provide that the requirement does not apply to investments or classes of investment prescribed in the Scheme rules. The Board itself may amend the scheme rules by regulation and such regulations are subject to review and disallowance by Parliament.

The fourth matter provided for in the Bill relates to European wasps. These introduced pests have become a significant public nuisance with impacts on the tourism and food industries and our South Australian lifestyle. Reports of European wasp impacts on the horticultural industry are being investigated and its environmental impact is yet to be researched. Despite the history of cooperation between State and Local Government on wasp control, it has proven impossible to eliminate this dangerous pest with current measures. An order making power for Councils is sought now in order to have a full range of control mechanisms in place before next summer.

The order making power will allow Councils to order the owner or occupier of property to take action to destroy any European wasp nest located on that property. If the owner or occupier does not comply, Councils may have the nest destroyed and recover the cost of doing so from the owner or occupier. Capacity has been included to limit the level of cost recovery by regulation.

The object is to ensure that Councils have clear power to inspect for wasp nests and to compel their destruction should an owner or occupier refuse to cooperate with whatever arrangements are in place for removal of these nests. It is proposed to delay commencement of this section until an overall strategy for European wasp control, involving negotiations with Local Government, has been finalised.

It must be emphasised that the Government intends to handle this problem in an equal partnership with the Local Government sector and that neither level of Government has a desire to inflict unnecessary costs on individuals. However, in the event that this problem gets beyond the capacity of the Government sector, that same sector has a responsibility to ensure that the community constitute an appropriate part of the remedy.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause sets out a scheme under which the provisions of the Bill will come into operation.

Clause 3: Amendment of s. 5—Interpretation

This clause strikes out the definition of the Local Government Boundary Reform Board and provides for a new definition relating to the Boundary Adjustment Facilitation Panel.

Clauses 4, 5, 6

These clauses are consequential on the reconstitution of the Local Government Boundary Reform Board as the Boundary Adjustment Facilitation Panel.

Clause 7: Amendment of s. 16—The Panel

The *Local Government Boundary Reform Board* is to become the *Boundary Adjustment Facilitation Panel*.

Clause 8: Substitution of 16A

The Panel will be constituted of two members appointed by the Minister and two members selected by the Minister from a panel of persons nominated by the Local Government Association of South Australia.

Clause 9: Amendment of s. 16B—Conditions of membership

A member of the Panel will be appointed on terms and conditions determined by the Minister.

Clause 10: Substitution of s. 16C

A member of the Panel will be entitled to fees and expenses determined by the Minister.

Clauses 11, 12, 13, 14
These clauses are consequential on the reconstitution of the Board as the Boundary Adjustment Facilitation Panel.

Clause 15: Amendment of s. 16H—Staffing arrangements
The Minister will determine the staffing arrangements for the Panel.

Clause 16: Amendment of heading
This clause is consequential on the reconstitution of the Board as the Boundary Adjustment Facilitation Panel.

Clause 17: Substitution of s. 17
The functions of the Panel will be to consider proposals for proclamations submitted by councils under Part 2 of the Act, and to complete any work associated with any proposal formulated under section 21 of the Act (subject to the operation of subsection (17) of that section).

Clause 18: Repeal of s. 17A
The objectives set out in section 17A of the Act are no longer relevant in the context of this measure.

Clauses 19, 20, 21, 22, 23, 24, 25, 26
These clauses are consequential on the reconstitution of the Local Government Boundary Reform Board as the Boundary Adjustment Facilitation Panel.

Clause 27: Repeal of s. 22A
Section 22A of the Act is no longer required.

Clauses 28, 29, 30, 31
These clauses are consequential on the reconstitution of the Local Government Boundary Reform Board as the Boundary Adjustment Facilitation Panel.

Clause 32: Substitution of s. 22G
The Local Government Boundary Reform Board is to be required to prepare a report on the extent to which the objectives that were included in section 17A of the Act have been achieved under the Act, and on further or future opportunities that in the opinion of the Board exist for structural reform in the local government in the State.

Clause 33: Amendment of s. 29—Error or deficiency in an address, recommendation, notice or proclamation
This clause is consequential.

Clause 34: Amendment of s. 75—Investment of funds
The requirement to appoint investment managers to invest funds of the Local Government Superannuation Board is not to apply to investments, or classes of investments, prescribed by the rules of the superannuation scheme under this amendment.

Clause 35: Insertion of s. 666
This clause will provide for a new section that will give councils the power to require owners or occupiers of land to take action to destroy European wasp nests. There will be a right of appeal against the imposition of a requirement. If a person fails to comply with a requirement, the council will itself be able to take action and recover its reasonable costs and expenses (subject to any limits prescribed by the regulations).

Mr CONLON secured the adjournment of the debate.

LOCAL GOVERNMENT FINANCE AUTHORITY (BOARD MEMBERSHIP) AMENDMENT BILL

The Hon. M.K. BRINDAL (Minister for Local Government) obtained leave and introduced a Bill for an Act to amend the Local Government Financing Authority Act 1983. Read a first time.

The Hon. M.K. BRINDAL: I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill provides for two principal matters. It allows the board of the Local Government Finance Authority to co-opt up to two additional members with financial expertise, and it requires the Minister to whom the Act is committed to table the Authority's annual report in Parliament within twelve sitting days of its receipt.

The first amendment is put forward at the request of the present board of the Local Government Finance Authority.

The board needs independent technical financial advice in order to discharge its responsibilities of oversight of the work of the Authority effectively. As the existing membership is essentially representative, it is not possible to ensure that enough of the needed expertise is around the table. The Treasurer's nominee brings high level financial skills to the board but there is no other assured source. While there are occasions when the board should, and does, purchase such independent advice there are times when there is need for a continuing skilled presence at the board table.

Changes in the financial marketplace have made it necessary for the LGFA to prepare itself for more aggressive competition and for more considered risk management. This amendment will enable it to continue do so.

The second substantive amendment implements a recommendation of the fourteenth report of the Statutory Authorities Review Committee Inquiry into Timeliness of Annual Reporting by Statutory Authorities.

In bringing the Bill forward the opportunity has also been taken to update the language of the principal Act to take account of a change in the language of the Local Government Association constitution and to take account of changes in the conventions of Parliamentary drafting. The schedule contains these changes which are entirely technical in nature.

Explanation of Clauses

Clause 1: Short title
This clause is formal.

Clause 2: Amendment of s. 7—Constitution of the Board
The Act is to be amended so as to allow the board to co-opt one or two additional members with financial expertise to assist the board in the performance of its functions.

Clause 3: Amendment of s. 8—Terms and conditions of office
A co-opted member will be appointed on conditions determined by the board. The appointment of a co-opted member will be able to be terminated at any time by resolution of the board or the Authority.

Clause 4: Amendment of s. 10—Procedures, etc., of the Board
This amendment is consequential on the proposal to allow the board to co-opt one or two additional members.

Clause 5: Amendment of s. 34—Annual report
This amendment specifies 12 sitting days as the period within which the Minister must lay a copy of the annual report of the Authority before each House of Parliament.

Clause 6: Statute law revision amendments
The opportunity is being taken to make statute law revision amendments to the principal Act.

Mr CONLON secured the adjournment of the debate.

ROAD TRAFFIC (MISCELLANEOUS) AMENDMENT BILL

Second reading.

The Hon. DEAN BROWN (Minister for Human Services): I move:

That this Bill be now read a second time.

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

Leave granted.

The purposes of this bill is to address a number of separate issues arising under the *Road Traffic Act*. The Bill deals firstly with the closure of roads by police to enable aircraft to use them in response to an emergency. It also addresses an anomaly that exists that provides an exemption for police in motor vehicles from compliance with certain road rules but provides no similar exemption for police undertaking patrols on foot, pedal cycles or on horseback. In addition, the Bill repeals the requirement under section 47DA to submit an annual report relating to breath testing stations; and provides that certain vehicles must give way to buses pulling out from the edge of the road.

Aircraft responding to an emergency often need to land in remote areas of the State to provide medical help for road and other accidents or to provide other assistance, such as may occur in situations of extensive flooding. The Royal Flying Doctor Service provides critical services in remote areas for road accident victims and residents of the area. A quick response time is very important in remote areas.

The Stuart and Eyre Highways are main transport routes. Trip distances are frequently very long, increasing the risk of fatigue related accidents. In addition, the high speed of traffic, together with the high proportion of heavy vehicles, raises the likelihood of accidents involving personal injuries. In the 4 years to 1994, there was a total of 169 motor accidents in areas to be serviced by the air-

strips, with almost 50 per cent involving injury, many requiring urgent medical treatment.

The Trauma Systems Committee for South Australia has expressed concern regarding the provision of medical services in remote parts of South Australia. Existing airstrips in remote areas are widely spaced. Some of them are unsealed and do not provide all weather access. There is a need for greater number of all weather airstrips in remote areas of South Australia, as highlighted by a major bus crash near Coober Pedy in 1993.

More airstrips in remote areas of South Australia will reduce the costs associated with accidents, by providing a quicker, more efficient medical service. An 'on road' all weather emergency airstrip can be constructed utilising the existing road pavement at the relatively low cost of $250 000 by increasing pavement width by 3 metres and ensuring adequate additional clearance. Maintenance can be part of existing road maintenance at minimal additional cost. An airstrip, that is not 'on road', would need to be constructed on a pastoral lease and would involve much greater impact on vegetation. The estimated cost of an all weather airstrip is $1 000 000, with maintenance costs being greater and requiring separate funding.

Three 'on road' emergency airstrips on the Stuart Highway and 2 'on road' emergency airstrips on the Eyre Highway are to be constructed. Construction costs of $1 285 000 for 5 airstrips will be paid from Federal Government road funds. The location and spacing of the road airstrips have been selected to provide adequate coverage for the entire length of the Highways, whilst maximising the use of existing resources and minimising impact on surrounding vegetation. The first air strip, on the Stuart Highway south of Coober Pedy, was completed in June 1998 at a cost of $250 000. Further airstrips will be constructed in future years as funding becomes available.

This amendment to the Road Traffic Act, 1961 is to clarify the legal position of aircraft using these on road airstrips. It provides that police may close roads in emergencies to allow use by aircraft, and clarifies that an aircraft is not a vehicle and may use roads in situations of emergency.

For reasons of public safety, a road must be closed before an aircraft lands, police must have adequate powers of control, and proper warning must be given to road users. It is anticipated that this power will be principally used for the Royal Flying Doctor Service but it may also be used for any aircraft responding to an emergency that has been authorised to use the road, including various types of aircraft, such as helicopters. Other roads are capable of being used by aircraft responding to an emergency and provision should be made to allow aircraft to use such roads when they are closed by and under the direction of police. It is anticipated that landings on roads that are not 'on road airstrips' will be only in exceptional circumstances.

Neither the Crown nor any officer of the Crown who facilitates the use of a closed road by an aircraft should face any civil liability that may arise through the use of a closed road by an aircraft. Aircraft currently use roads in emergency situations and this proposal seeks to increase the safety of such use through allowing the road to be closed. While every care will be taken when closing a road in relation to issues of safety, the nature of an emergency may, from time to time, result in a failure to take precautions against every possibility. The proposed amendment will nonetheless ensure a safer environment than would otherwise occur.

To allow use of the airstrip at the earliest opportunity, it is proposed that, once passed by Parliament, the amendment will come into operation on assent of the Governor.

Section 40 of the Road Traffic Act 1961, provides exemption to police using motor vehicles in the execution of their duty, from compliance with certain provisions of that Act. The Commissioner of Police has drawn attention to the fact that police now carry out patrols on pedal cycles and horses, as well as on foot. Horses and pedal cycles are vehicles within the meaning of the Road Traffic Act and pedestrians must also comply with provisions of the Act. Accordingly, it is necessary to extend the exemptions set out in section 40 to accommodate police undertaking patrols other than in motor vehicles.

Random breath testing was introduced into South Australia on 18 June 1981. This was seen as a controversial measure at the time and Parliament sought to monitor its effectiveness by requiring under subsections (5) and (6) of section 47DA of the Road Traffic Act that the Minister cause a report to be prepared within six months after the end of each calendar year on the operation and effectiveness of random breath testing. Copies of this report must be laid before both Houses of the Parliament within twelve sitting days after receipt.

Random breath testing is now an established part of police procedures and generally accepted by the community. It has proved very successful in reducing the incidence of drink driving within South Australia.

Accountability to Parliament for the conduct of random breath testing is also addressed through various reporting mechanisms, including the Police Department's annual report. Continued scrutiny is also provided by the courts, police complaint procedures and representations through Members of Parliament.

It is therefore proposed to remove the need for the submission of an annual report specifically dealing with the operation of random breath testing.

Currently, buses that stop at the side of the road often have to rely on the courtesy of other road users to be able to join traffic. Particularly in peak driving periods this often results in long delays to bus passengers and results in occupational health issues for bus drivers. While all buses display a request to 'please give way' and this is often sufficient, public transport will greatly benefit by requiring that other road users give way to buses. This proposal is consistent with the draft Australian Road Rules (ARR) which requires that drivers proceeding in the same direction as the bus must give way if the bus needs to move out from the kerbside to be able to proceed. On multi-laned roads, it is proposed that only drivers who are in the left-most (or kerbside) lane, be required to give way.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for commencement of the measure. The Bill, except for sections 4, 5, 6 and 7, will come into operation on assent by the Governor. Sections 4, 5, 6 and 7 will come into operation on a day to be fixed by proclamation.

Clause 3: Insertion of heading and s. 34

This clause inserts new section 34 into the principal Act. The new section empowers certain members of the police force (those in charge of a police station or of the rank of inspector or above) to close a road to enable an aircraft to use the road to respond to an emergency. For that purpose, those members of the police force (or other police under their direction) can erect signs and establish barriers. They can also give such reasonable directions to drivers, pedestrians etc as are, in their opinion, necessary for the safe use of the road by the aircraft or for the safety of other road users. They can give directions for those purposes to the pilot of the aircraft as well.

In exercising powers conferred by this section members of the police force are required to comply with such procedures and requirements as may be stipulated by the Minister by notice in writing to the Commissioner of Police.

It is an offence not to comply with a direction of a member of the police force given under this section. However, if the direction is given to a person who appears to have charge, care or custody of a vehicle or to have left a vehicle standing on a road, that person is not guilty of an offence of failing to comply with the direction if it is proved that he or she did not have charge, care or custody of the vehicle and did not leave the vehicle standing on the road.

If action is taken by the police under this section to close a road or enable an aircraft to use a road, nothing in the principal Act is to be taken to prevent the use of the road by the aircraft and the aircraft is not to be taken to be a vehicle for the purposes of the principal Act. In addition, no liability is incurred by members of the police force or the Crown in respect of injury, damage or loss arising out of the use of the closed road by the aircraft.

The powers conferred by this section are in addition to and do not derogate from any other powers of the police.

A road closed under this section for the purpose of enabling an aircraft to respond to an emergency is required to be re-opened as soon as practicable after the road is no longer required for that purpose.

Clause 4: Amendment of s. 40—Exemptions

Section 40 currently exempts police force and other emergency vehicles from certain traffic provisions of the Act. The exemptions in relation to the police force operate only for motor vehicles. The clause extends the exemptions to vehicles so that the exemptions will operate in relation to members of the police force using pedal cycles or horses. The clause also provides an exemption from provisions of the Act that apply specifically to pedestrians and pedal cyclists for members of the police force carrying out their duties on foot or through the use of pedal cycles.

Clause 5: Amendment of s. 47DA—Breath testing stations

The clause removes a special requirement for an annual report (related to a calendar year) on the operation of the provisions of the Act dealing with breath testing stations.

Clause 6: Amendment of s. 69—Driving from edge of carriageway

This clause makes an amendment consequential on the new giving way to buses provision proposed to be inserted by clause 6.

Clause 7: Insertion of s. 69AA

A new section 69AA is proposed creating a requirement to give way to buses on portions of carriageway with a speed limit of 60 kilometres an hour or less. The buses must be of a class approved by the Minister and display an approved give way sign in the manner specified by the Minister by notice in the *Gazette*. The give way obligation will apply only in relation to buses moving away from the kerbside and, if there are lanes, will apply only to vehicles in the left-most of those lanes (unless the left-most lane is a bicycle lane, in which case it will apply to vehicles in the next lane as well). The Minister is required to review the operation of the new section after 12 months and table a report on the review in each House within 6 months after that.

Ms HURLEY secured the adjournment of the debate.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

Adjourned debate on second reading.

(Continued from 27 May. Page 948.)

Mr De LAINE (Price): I take up this debate on the Bill to sell off ETSA and Optima, possibly to interstate and almost probably to overseas interests. The sale is about ideology and not about rationality. I totally oppose the sale of this wonderful State's instrumentality. By selling the State's assets, especially electricity and power assets, for a one-off financial gain is almost criminal and will drastically reduce the State's income base. We will lose effective control of a critically essential service over years to come.

ETSA and Optima are the largest Government owned businesses in South Australia, and ETSA is one of the two top companies in the State in terms of after tax profits. It is a very big employer of South Australians, with expertise built up over many years at the two major power stations in the State. The Premier talks about the risks in not selling ETSA. There are risks in everything in life. Even getting out of bed in the morning, getting into your car and going onto the road is a risk. Certainly in business, whether small or large business or something of the size of ETSA, there are risks, and that goes with being in any business and doing any sort of activity, especially in the commercial market. If the private sector can run a power generation and distribution business cheaply and efficiently and minimise the risk, so can the public sector. It can be run by the Government, and I do not accept the argument that Governments cannot run things efficiently and cheaply, with a minimum of risk, where the private sector can: I do not go along with that argument.

Another part of the risk, as the Premier puts it, is the loss of value of the asset. The asset was established and set up by Sir Thomas Playford over 50 years ago. It was set up to generate and distribute power to consumers in South Australia. The value of the asset is not important: it is irrelevant. Whether it is worth $10 or $10 billion, it does not matter. It is there to do a job and the only time the value of the asset comes into question is if it is going to be sold, and that is where the risk comes in as far as this Government is concerned.

The Premier mentions that interstate individual householders who have installed solar powered appliances are selling back excess power into the grid. Why not subsidise the installation of solar powered appliances to people in South Australia, thereby reducing the demand and therefore the cost of electricity for everybody? Maybe that is a better way to go rather than selling off the asset. I will not speak for very long as most points for and against have been covered, but I will highlight a few concerns I have in relation to the proposed sale.

First, I refer to the future of the workers. Despite assurances by the Premier in previous times with the water contract when the management of EWS was privatised, we have seen a massive loss of jobs and the same will happen if ETSA and Optima are sold. I do not believe any guarantees as far as workers are concerned. The workers have built up the facility and have run it particularly well over many years. There will be a loss of jobs, irrespective of what the Premier says. Another concern is about country users of power. In the past we know that country users have been subsidised and received their power at the same cost as city consumers. There has been a guarantee that prices will remain below CPI until the year 2003, but what happens after that? I cannot see private operators subsidising and selling to country consumers at the same price as they do for city consumers.

The Treasurer was questioned about the price for the sale of ETSA, along with a couple of other matters. He said that he did not know, that it was in the realms of commercial confidentiality. They do not know what will be the selling price—somewhere between $4 billion and $7 billion. Who will carry the liabilities from the sale of ETSA? We look at situations like the Auckland blackout, which lasted a couple of months. Who will be liable if something similar occurs here? Again the Treasurer of the State did not know. The level of country subsidies beyond the year 2003 was not known by the Treasurer at the time either. I certainly do not believe that these things can be guaranteed. We heard the Premier give guarantees about the price of water, and we saw what happened there. Later than that we have seen assurances given, even enshrined in legislation, with regard to the local government merger Bill where an integral part of that was an undertaking that everyone would receive lower council rates. A number of local councils have been given exemptions, so these sorts of assurances, guarantees and provisions—even in legislation—are not worth the paper they are written on, because exemptions can be granted at a later date, as has been the case with both water and local council rates.

I am also concerned about the transmission of power over long distances once we hook into the national market. When I was at school, in physics we were taught that the transmission of power over long distances was not satisfactory and efficient because quite substantial losses were involved. I do not think that physics has changed. Some things change, but natural laws such as those governing physics do not. If there were losses during power transmission when I went to school, there will be losses now. Who will pay for that? Of course, the consumer will, and that will have a deleterious effect, driving up prices. I cannot see any way around that.

If the private sector runs the generation and distribution of our power, I am concerned that it will cut corners for the sake of profit. This always happens. I do not blame them, as private companies have responsibilities to their boardrooms and shareholders. However, we just cannot afford to cut corners in the provision of these services. I agree with Sir Thomas Playford: he always said that these sorts of services should be run for the people by the people. I stand by that, as does the Labor Party.

I am also concerned about the $1 billion of Federal competition payments. The sale is not, as the Premier said, a necessary component to get the competition payment. However, even if it was, the $1 billion is not something we have and we will lose: it is just something we will not get—maybe. However, it is certainly not connected to the sale of ETSA. I draw the following analogy: if we sold the house in which we live, we would get off a one-off gain for the House but then we would have to pay rent for the rest of our life. It is certainly false economy.

In the past, I have dealt with constituents who, through no fault of their own, got into difficulties in paying their electricity or gas bills. We could usually negotiate with the companies and come to some sort of arrangement for people to pay off those bills over time and, in some cases, we could even get them waived. SAGASCO has been privatised—and I did not agree with it at the time—and is now known as Boral Energy. It is now difficult to negotiate with that company in order to broker deals to help constituents, who through no fault of their own cannot afford to pay their bills. Sometimes they come to the party but, more often than not, they do not.

In summary, South Australia does things well; it always has. It has had to do things well in order to survive over the years. We can compete, and we can do things better than can other States and countries. I firmly believe that. If the Government had any guts and determination, it could restructure the existing ETSA set up and make the necessary alterations to enable that company to operate efficiently and effectively, with a minimum of risk, and compete with any other company interstate or overseas.

The Government has no mandate for the sale. The Premier talked about the New South Wales situation. However, that is entirely different from our own. It is a bigger, more populous State. It already has a number of generators of electricity, which is different from our situation, where we have a natural monopoly of one company, and I think it should be left that way.

I send a word of warning to Government backbenchers, especially those in marginal seats: if they want to hold onto their seats at the next election, they would do well to cross the floor and vote with the Opposition against this Bill. Mr Deputy Speaker, as you were a Minister in the Tonkin Government, you would know that in 1979 to 1982 the Tonkin Government started to go down the privatisation track. It was roundly defeated in the 1982 election with the return of a Bannon Labor Government. It did not learn from that. In 1985, it started talking about privatisation again, which led to Labor winning a record majority of 12 seats at that election. Members opposite still have not learnt. In 1997, with the spectre of large scale privatisation on the books, the Government lost 13 seats. Members opposite have sat there and copped this, and they have seen 13 of their colleagues knocked off in the polls. As the Government and this Premier is continuing down this track, they should know that they will cop the same fate at the next election, unless they change their minds and support the no-sale option in this situation.

I firmly believe that the present Government has gone down the privatisation track three times, and it has come off third best. The same will happen again. It will lose more seats in the next election, and I appeal to those backbenchers (and even some Ministers in fairly marginal seats): if they want to hang onto their jobs and their seats, they should consider the situation, cross the floor and oppose the sale of this great asset. Once again I express my complete and total opposition to the sale of ETSA.

Mrs MAYWALD (Chaffey): During the last session, I spoke in this House about the National Party's attitude to the sale of our ETSA and Optima assets. I spoke of our opposition in principle to disposal of these valuable State assets. I spoke about the Opposition of ordinary country people to the Government's plans to sell off ETSA and Optima. I spoke about the growing number of representations I have had from country electricity consumers, both domestic and commercial, who have had unacceptable service, supply and delivery delays and problems with ETSA. In the weeks and months since I first raised the issue of ETSA's declining service capabilities and levels, the extent of the problem that ETSA faces in adequately servicing country areas has been made much clearer to me. I have had numerous representations from electricity consumers in my electorate and elsewhere.

Almost without exception, these country electricity consumers have documented histories of long delays and problems in electricity connection and service provision. I ask the Premier, 'Is it a coincidence that these problems have arisen almost in direct proportion to the steady cutback in ETSA staffing and resources levels in country areas?' The answer, of course, is that it is no coincidence.

As country people know only too well from personal experience, resource cutbacks mean fewer services and a fight just to get access to those that remain. I do not want to restate all the reasons that caused us to oppose the decision to sell our State owned electricity assets when the decision was made. I gave detailed reasons for that decision in my speech to Parliament on 17 March 1998. Since then, we have had a long and hard look at the issues for and against the sale. We have listened to the case for selling put by the Premier and the Treasurer and their advisers, and we have studied the various arguments and submissions put before the Economic and Finance Committee inquiry into electricity reform. We have studied industry submissions and listened to the arguments on both sides.

We acknowledge that there are respectable arguments and reasons for privatising some of our State's electricity assets. However, at the end of day it is necessary to measure and weigh all the competing arguments for and against selling State assets and to come to a decision. Our job of assessing the arguments has been made all the more harder by the Government's refusal to provide virtually any of the real information needed to independently make our assessment. However, there has been no shortage of misinformation and propaganda from the Government. In the category of misinformation, I include much of what has been said by the Government about existing and potential risks to the South Australian electricity industry in the future.

No-one could seriously argue that the deregulated national market holds no risks for the South Australian companies involved in electricity generation, transmission and supply. To some extent, the risks are being over-sold by Government in order to bolster the sale case. However, more importantly, the likely effect of the risks on ETSA and Optima and the way to best handle those risks is being misrepresented by the Government in order to support the case for selling ETSA and Optima.

We are warned by the Government that the overall effect of the various unavoidable risks that the industry faces in the future will be a reduction in the likely future profit of ETSA and Optima, hence a reduction in the flow of dividends to

Government revenue. It is argued that we should sell the assets as quickly as possible before the extent of a profit squeeze fully emerges. Only if we sell quickly, so we are told, can we avoid the inevitable decrease in the value of ETSA and Optima to which lower profitability will lead.

There is an obvious flaw in this analysis. The potential buyers of ETSA and Optima assets will have factored all such projected profit declines into any assessment of the value of the assets, and these buyers will pitch their tenders or bids for the assets at an accordingly reduced price. So, what are we to conclude: either that the Government is commercially naive because it assumes that potential buyers will not factor all the future risks into the price that they are prepared to pay, or that the Government is determined to sell ETSA and Optima assets at a price which is heavily discounted but which is high enough to allow it to patch up for a time, at least, the now revealed blow-out in the State's finances?

Whether the sale of ETSA and Optima would, in any case, turn around the crisis in South Australia's finances is the $7 billion question. I will return to that in a moment. First, however, there is another risk myth that needs to be exploded. The Government argues that existing and likely regulatory and competition policy pressures and risks will impact severely on the market value of our ETSA and Optima assets. These competition and regulatory risks are said to be inappropriate for South Australian taxpayers to bear as stakeholders of ETSA and Optima. According to the Government, the better solution is for South Australia to be protected from risk by disposing of the assets—sooner rather than later.

This is a nonsense argument no matter which way the price of electricity goes in the future. If the future market price of electricity rose as a result of the move into the national electricity market, South Australian taxpayers as owners of ETSA and Optima would see an increase in the capital value of their assets but, if the assets were sold off, the windfall capital gain from an electricity price increase would go entirely to the shareholders as owners of the assets. It could also reasonably be expected that there would be an increase in dividends payable to the owner of the assets, whether they be South Australian taxpayers or shareholders, as increasing electricity prices were reflected in the increasing profitability of ETSA and Optima.

Of course, no matter who owns ETSA and Optima, and despite all the Government's assurances to the contrary, if the price of electricity increases we can predict with absolute confidence that most country consumers in South Australia will, on average, pay higher prices for their electricity and that the price differential between electricity unit prices for consumers in the suburbs of Adelaide compared with consumers in Waikerie or Berri will increase from the current level. At best, the Government would have some control over pricing only for the next 4½ years. After that, country consumers have been wooed by a further carrot: the Government has guaranteed further subsidies until 2013, apparently to be funded through the sale proceeds—another liability.

After that, the real power over pricing will be in the hands of Federal Government agencies. As consumers at the non-contestable end of the market, most country people in South Australia and elsewhere will be price-takers of the most powerless kind. The expensive bureaucracy that the Government intends to establish to oversee the State electricity market will not have any power to affect fundamental pricing decisions. This power will subsist elsewhere beyond the reach of the South Australian Government.

Those who say that the situation a few years down the track will be no different in practical terms from what we have now completely miss the point. We now have at least a minimum level of accountability through the ballot box. At the moment, if a country electorate is being badly served by ETSA, it can, through its local member, bring to bear on Governments direct political pressure for changes to address these problems. Once the ultimate decisions about pricing are moved from Adelaide to Canberra, Sydney or Melbourne, the accountability we now have will be totally lost.

More in sorrow than in anger I say to the Independent member for MacKillop that the Government cannot deliver on the promises it has made about country pricing. In the wake of privatisation, a city-country electricity price differential may not occur immediately, but it will occur. If ETSA and Optima become privately owned companies, it is an odds-on bet that the level of price increases imposed on country electricity users will be higher than if the companies remain in public ownership.

In short, in an environment of rising electricity prices there is absolutely no inherent advantage to the South Australian taxpayer in selling ETSA and Optima assets. But what of an environment in which electricity prices are falling over time? The Premier has said on more than one occasion that electricity prices will fall in a national market and that this will result in lower prices to consumers. This might be the case if ETSA and Optima continue to be publicly owned. However, if the companies are in the hands of private owners and operators, there is little likelihood of falling average national prices being reflected in falling prices for smaller consumers. As average electricity prices fall, the managers and operators of privatised ETSA and Optima companies would be under great pressure from their shareholders to keep electricity prices to South Australian consumers at levels above national market prices in order to maximise returns on the capital invested in the companies.

We are told that this will be prevented by the appointment of an independent economic regulator. What I say to the Government is: just who is this regulator to be independent of? Certainly not the electricity industry, because it will be paying his or her salary. The mechanism by which it is proposed that prices are to be set is entirely bureaucratic and opaque. Only industry insiders and the regulatory bureaucrats will know what is going on. When Government Ministers, bureaucrats and industry participants get together and tell us that a proposed pricing arrangement is in the best interest of consumers, I reach for my gun. I loaded both barrels with buckshot when State Government Ministers announced that they intended to opt out of their existing accountability to South Australian voters by handing ultimate control of the pricing of a basic service such as electricity to Federal Government bureaucrats.

In short, I am convinced that, if ETSA and Optima are sold into private hands, South Australian consumers and taxpayers will be no better off and are more likely to be worse off, no matter in which direction electricity prices move in the future. There is every prospect that the proposed bureaucratic regulators of the national electricity market will ensure that competition is sufficiently limited to guarantee the owners of the assets a return on their investment in the assets. As my colleague, the Independent member for Gordon noted recently, this much has been made clear by Investra, one of the potential bidders for the distribution network assets, the 'poles and wires' side of the business:

. . . under the National Access Code, regulators are required to allow reasonable returns to owners and operators of the distribution networks. . .

So the brochure states. What constitutes a reasonable return to the owners and operators of the electricity assets is, of course, all in the eye of the beholder, but I am absolutely certain that Investra's idea of what constitutes a reasonable rate of return is significantly higher than any country consumer would agree was reasonable. It does not take a financial genius to work out with whom the regulator is likely to side when pricing decisions are in the balance. After all, the industry is going to be paying the regulator.

Any suggestion that risk is something new and something that a publicly owned electricity company could not manage is utter nonsense. Market risk can be and is mitigated in the normal course of business operations by the use of safeguards and appropriate risk management systems by the companies. For example, effective use of hedging contracts entered into by ETSA to manage its exposure to pool price variations has minimised and undoubtedly will continue to minimise the effect of pool price variations on its operating profit.

Another risk myth which does not hold up under any sort of factual scrutiny is the myth that South Australia must sell ETSA and Optima in order to meet its national competition policy obligations to gain access to competition policy payments of some $320 million and associated Federal Government financial assistance grants. The Government is doing its best to convince South Australians that selling ETSA and Optima is necessary to meet its commitments under the competition policy agreement.

The long and the short of this argument is that the commitments can be met with ETSA's remaining in public ownership. All that is required is the effect of restructuring through desegregation of the operating entities, precisely along the lines the Government is now proposing, but it is not a requirement that the assets also be sold off. It all comes down to State debt management and regaining control of the budget.

The Premier has raised the spectre of a continuing and exorably rising State debt burden if ETSA and Optima are not sold. The alternative to a sale is said to be tax increases and/or spending cuts. This line of argument is supported by various advisers and bureaucrats. Most of them are financial carpetbaggers who are here because there is an opportunity to make a quick buck out of South Australia's financial difficulties. They have a large financial stake in the sale proceeding, and I dismiss their claims for the benefits of a sale as entirely self-interested. However, some entirely respectable commentators who undoubtedly have South Australia's interests at heart have also come out and supported the sale. If there was a net benefit to South Australia from the sale of ETSA and Optima of sufficient magnitude to cut State debt to a point where public sector finances were turned around, then the argument being put by people like Professor Cliff Walsh would be hard to resist. An opportunity to substantially cut or eliminate our net interest obligations currently at $728 million is, on its face, both attractive and responsible to the point of being hard to argue against.

Unfortunately, on the information that I have received, the net debt retirement resulting from even the most optimistic sale price estimates do not equate to anywhere near the much publicised $2 million a day interest savings. The devil is in the detail, as they say. In the briefing with Government advisers last evening, I was told that many ongoing liabilities and obligations of ETSA and Optima are likely to be isolated and quite possibly remain with the State as a Government entity. The details of this shuffling the books to bolster the sale price are yet to be finalised. What risk will be retained by the Government and what costs are also yet to be calculated? What impacts these will have on the budget bottom line are fuzzy at best.

Compare this unknown and unquantifiable reduction in liability to the dividend of $193 million that ETSA will pay to the Government this year and it becomes obvious that the net benefit to South Australia's selling the assets is unlikely in any sale price scenario to be more than $150 million per annum. So much for the $2 million a day benefit proposed from selling ETSA and Optima. It is a complete fiction. The reality is that we are going to have tax increases and spending cuts, or both, whether or not ETSA and Optima are sold. This is the hard truth to which the Premier and the Treasurer will not admit.

Of course, if ETSA and Optima were sold to achieve a small reduction in the State debt level and interest bill, the burden of the debt is only being shoved around the State financial balance sheet. The burden of the debt will simply be transferred from the Government sector to South Australian electricity consumers. It might look like good politics to the Government, but it is an unacceptable abrogation of its financial and budgetary responsibilities. In speaking about this sale proposal on an earlier occasion, I said that to achieve a selling price which reflects anything like the true capital value of ETSA and Optima assets the Government would either have to allow a purchaser to increase electricity prices substantially or underwrite the new owner's profits. In studying the Bill now before Parliament it is apparent to me that the Government has reached the same conclusion. The Bill includes provisions which give the Government enough flexibility to offer the kind of guarantees that effectively underwrite the future profitability of the new owners of ETSA and Optima assets.

I would like to touch briefly on some other relevant issues in our review of this Bill. In the first instance, the National Party in South Australia takes the view that this State's publicly owned electricity transmission and distribution assets, and at least part of the State's generation businesses, are natural monopolies. We will not consider or support the sale of such assets unless and until all regulation and market contestability issues associated with their private ownership and operation are acknowledged by the Government, fully aired and satisfactorily resolved.

Secondly, we say that the sale of ETSA and Optima is not a pre-condition or requirement for South Australia's compliance with national competition policy. This has been acknowledged by Professor Hilmer and various others involved in implementing the competition reforms agreed to in 1995.

Thirdly, we are concerned that it is still totally unclear how the national electricity market is to operate in practice. The break-up and sale of previously integrated electricity enterprises in other States has put considerable pressure on the achievement and maintenance of economies of scale in the industry. It is also unclear whether separation of industry into generation, transmission and distribution, and retail businesses, will be a viable option in a business sense over the longer term.

Fourthly, let me acknowledge that the member for Gordon has already clearly pointed to the significance of this issue: the future ownership and operation of our public electricity assets must be considered and debated in the context of any

overall energy policy—a State energy vision—and the now unavoidable obligations and changes in our energy usage options which flow from the Federal Government's recent decision to sign up to the Kyoto protocol and climate change conventions.

I now turn to some aspects of the Bill itself. Part 3 deals with restructuring and disposal. The provisions of the Bill under part 3 are extraordinarily wide. Accountability or limitations on the power of the Government are noticeably absent. The Government seeks authorisation in this Bill to do pretty much as it sees fit in its efforts to sell ETSA and Optima, and the Bill proposes that the Minister be able to exercise this extraordinary power without any reference to Parliament.

Specifically, clauses 8 and 9 of the Bill propose that the Minister be allowed to take control of and/or transfer or re-transfer any part or all of the assets of ETSA and Optima, prospectively or retrospectively, without being subject to any other law on such conditions as the Minister thinks fit. Under clause 10 the Minister is to be empowered by this legislation to fix the conditions on which such a transfer or re-transfer takes place. These conditions can include the assigning of any value to the assets and liabilities that the Minister thinks fit.

Clause 11 proposes to give the Minister the power to transfer ETSA and Optima assets to a purchaser, grant leases in respect of the assets, virtually without restriction, and, again, without any reference to this Parliament. Clause 12 is of particular interest. It provides that the Treasurer may declare by order in writing that specified transferred liabilities are to continue to be guaranteed by the Government as if the transferee were a public corporation.

A major objective of the sale is said to be the reduction of existing risks to the taxpayer of exposure to ETSA and Optima liabilities. The Government guarantee is said to be one such risk that will be eliminated through privatisation. If this is so, why does the Treasurer seek through clause 12 the flexibility to be able to recommit the Government to guaranteeing the liabilities of a private company or companies that may purchase ETSA and Optima assets? The obvious answer is that the Government intends to have enough flexibility in the sale to give guarantees that effectively underwrite the future profitability of a new owner of ETSA and Optima.

It is one thing for a potential purchaser of a public business or asset to know or hope that there exists an implied guarantee by the State in respect of that business, especially if it involves the provision of an essential service.

The SPEAKER: Order! The honourable member's time has expired.

Mr CLARKE (Ross Smith): After having listened to the member for Chaffey, the best thing I can do is say, 'Ditto', and sit down. She has made an excellent speech which sums up precisely everything I, too, feel about the Government's—

Ms Bedford interjecting:

Mr CLARKE: Maybe I will, because I will have the time to do it. I do not think that I will take my full 20 minutes, because everything I would have said the member for Chaffey has said in a more concise fashion than I would have done. I really hope that the member for MacKillop will take the advice of his colleague the member for Chaffey, particularly remembering that he, too, represents a large country electorate and, like all of us, he, too, would like to enjoy a long political life in this place. Given the events in Queensland recently, with respect to the discontent of country people in the way they have been treated by conservative Governments in the past, the lack of services and cut-backs of services, they have wreaked their revenge in a manner which has brought it very sharply home to those conservative Parties in Queensland.

I will touch on a couple of points, although, frankly, it is 'ditto' what the member for Chaffey said. We have heard the Premier say that the contracts that will be entered into with any new buyer will have all sorts of safeguards and penalties attached to them. So what? This is the Premier who was Minister for Infrastructure and who negotiated the water contract. In that water contract, all sorts of conditions have been entered into which are legally binding and which have heavy penalties. One of them was that within 12 months of the transfer of the management of our water supply to United Water the company would be 60 per cent Australian owned.

More than two years later, that company is 100 per cent foreign owned. The Premier, when he was Minister for Infrastructure, said that the contract which guaranteed 60 per cent Australian ownership was rock solid, written into the contract, and that there were no ifs, buts or maybes. With respect to Pica industries, which was to be part of the build-up of jobs in South Australia as a result of the transfer of the management of our water supply company, the Premier said that the factory at Salisbury or Green Fields would be established and that it would provide plenty of jobs within less than 12 months of the contract being entered into. As we discovered in the Estimates Committee, we are still waiting for the cobwebs to be dusted off the shed at that site and for workers to be engaged in South Australia. That, too, was in the contract and that, too, had a financial penalty attached to it if that part of the contract was not fulfilled; but this Government does not insist on those private companies honouring their contracts.

The Government does not take these companies to the courts to penalise them. As we have also found with the partial sale of Telstra, services have been cut back further, particularly in country areas. Recently, we read of the score card brought out by the consumer body with respect to Telstra. The service delivery on which Telstra has been marked shows that there has been a marked decline in the service it provides, particularly to its country customers. Even though a financial penalty is attached to Telstra for not carrying out certain minimum levels of service, frankly, Telstra does not care. It is cheaper for Telstra to pay the penalty than to hire the number of staff necessary to ensure that that service part of its contract is honoured.

I have no faith whatsoever in this Government or in any Government for that matter saying that it is okay, that we will sell ETSA and Optima and that at the end of the day we will have this cast-iron contract in place with any private owner which will ensure that we will be looked after, because quite frankly this Government has shown that it will not enforce those parts of the contract when it works against the interests of those private owners. Today, in answer to a dorothy dixer from the member for Stuart, the Premier also gave a hint about what will happen with respect to prices for country consumers. The Premier preened himself and referred to the power generator plant in Port Augusta, in the seat of Stuart.

The Premier pointed out that the people of Port Augusta will benefit from lower prices, because the powerlines to their homes are right next door, so to speak, to the power generating company; the electricity does not have to travel so far, so the residents of Port Augusta will get cheaper power. Of course, that can mean only one of two things, namely, that the farther you live from those powerlines the bigger the cost

burden. Of course, we know that country people live farther from the source of power generation and inevitably will pay considerably more for the supply of power to their homes, farms and local industries than those consumers who live closer to the source of power generation will pay. That is exactly what the Premier meant today in answer to that question.

We also know from practical experience with respect to WorkCover and the outsourcing of the management of its claims operations just how complex it gets for WorkCover to control its claims agents. They are at arm's length from WorkCover management. The staff who work for those claims agents are not the direct employees of WorkCover. WorkCover has a whole set of protocols and reams of paper in the form of contract agreements with those claims agents. But, in terms of the staff of those claims agents who follow the instructions as set out by WorkCover, it is extremely difficult for that to happen, because WorkCover management cannot reach straight out, tap that employee on the arm and say, 'You are an employee of ours; do as you are told.' WorkCover cannot do this because those staff are not the employees of WorkCover: they are the employees of the claims agents.

You find that WorkCover has to go through the claims agents management to get them to instruct their staff to carry out the policies as enunciated by the WorkCover board. That is what will happen with respect to the privatisation of our power utilities. The Government of the day will not be able to bring pressure to bear directly on those companies. As the member for Chaffey quite rightly pointed out, through the electoral process every member of Parliament is able to bring some pressure to bear on ETSA and Optima Energy in terms of the service provided to the people in our electorates, because they are an instrument of this Parliament. If ETSA and Optima Energy management are contemptuous of our constituents, we can bring them to book in this place directly through the Minister in charge or through the ballot box. We lose those advantages once ETSA and Optima are privatised.

In terms of the financial risks to this State, as I pointed out earlier I do not think I could expand any further on what the member for Chaffey has said already. I adopt her arguments *in toto* with respect to those points. I address my next point to the member for MacKillop and to the Premier in particular. If this Bill is the most important piece of legislation to come before this Parliament in the past 20 to 30 years and if it is vital from the Government's perspective for the future of South Australia that Optima Energy and ETSA are sold, I ask that this legislation become a Bill of special importance, because we know what will happen when it goes up the corridor.

The member for MacKillop might be comforting himself by saying, 'I will provide the Government with a majority downstairs so that it is not embarrassed by being defeated on the floor of the House (and perhaps this raises issues as to whether or not they ought to resign as a result of that); I can be saved, because up the corridor the Democrats and the Labor Party will block the legislation. So, I can have the best of both worlds. Nobody will really know I voted to sell our utilities, because what will happen is that this act of madness and this betrayal of country people on the Government's part will be stopped in another place.'

The Leader of the Government in the other place forlornly hopes for a rat somewhere in the ranks of Labor to provide him with an additional one or two votes. Let me tell the Premier, the Liberal Party and the Independents opposite that there will be no breaking of ranks on the part of any Labor Party member in this Chamber or in any other Chamber. Whether this Bill is voted on today, tomorrow, next month, next year or the year after, our policy is absolutely rock solid and unanimous. We will not sell ETSA or Optima Energy or any part of it. You can bank on it: that is an absolute rock solid guarantee. Every member of the Labor Party in this place and in another place is bound by it, and they will carry it out. We in the Labor Party have great tribal loyalty. We might like to club one another occasionally, but what those in the Liberal Party do not understand is that we enjoy clubbing Liberals more than we enjoy clubbing ourselves—unlike members of the Liberal Party, who enjoy clubbing themselves more than clubbing members of the Labor Party. There will not be any rats on the Labor Party side.

In relation to the Democrats, I was somewhat critical of the Hon. Sandra Kanck prior to the Estimates hearings; but she has finally come out after wringing her hands and after a thousand hours of study to announce what she should have announced from day one, because that is what the Democrats campaigned on at the last election.

I do not believe the member for MacKillop went out to his constituents before the last State election and said, 'Elect me to hold the balance of power and I will vote to sell ETSA and Optima Energy.' That was not in the member for MacKillop's manifesto at the time of the election because all political Parties went to the election with one common policy—that we would all save ETSA and Optima Energy from the hands of the privateers. In any event, the Government has changed its mind, but it will not get any change of mind in the Upper House. That is my belief; and I do not believe that it will get the Hon. Nick Xenophon, either. However, we will see what happens.

If it is so important, the Government can easily break this deadlock. It can make this a Bill of special importance and, if it is not passed in the Upper House, there are grounds for an early election. Let us get to the hustings; we are more than happy to get to the hustings. I am sure the Deputy Premier is confident of his position, notwithstanding the constant allegations of his misleading Parliament. As I said once before and as I say again, if you are in a burning warehouse, stand next to him because, if there is a rat hole to get out of, he will know where it is—even in the dark. I say to members opposite that, if this is the single most important piece of legislation that must be passed by this Parliament, there is an easy way out of it. Make it a Bill of special importance and, if it is knocked back by the Upper House, let us have a new election and let us fight it on the issue of the privatisation of ETSA and Optima Energy.

If the Labor Party is defeated in that election and it is the will of the people, we must acknowledge it. Philosophically we might oppose it but, in a general election where that is the central issue on which the Government goes to the people, if the Government wins, that is fair enough from my point of view and we would have to submit to the will of the people. The Government should do it in an election contest where that is the issue to be decided. In 1970, when Chowilla Dam was knocked out by the Parliament, when Tom Stott, the Independent Speaker, refused to vote for the Government's Dartmouth Dam proposal, Steele Hall had the guts to realise that his Government would have to go to the people in order to get that legislation through.

Tom Stott did not say he would knock them off in a vote of no confidence. He said he would vote against that Bill, and it was Steele Hall who made Chowilla Dam a point of

confidence in his Government. When it was knocked back he said he would go to the people with an early election to decide the issue. Steele Hall lost that election. While this Government huffs and puffs about this legislation supposedly being the most important piece of legislation that we have seen for a couple of generations in this Parliament, it has no confidence in its conviction or of the importance of the legislation to make it an early election issue.

The Government ought to have an early election if it believes the legislation is so important, but this Government will not do that because it knows it will be swept from office. That is how confident the Government is of its position. Therefore, I say to the member for MacKillop: given that this Government has no guts to go to the people on this issue in a general election, it is not as important an issue as the Government puts it up to be and as it tries to pretend it is.

I appeal to the member for MacKillop to vote against the Government's Bill. It will not bring the Government down. He can still keep the Government in office as it teeters its way towards electoral disaster in three years. The member for MacKillop can keep the Government in office because this ramshackle Liberal Government will not make this Bill a test of confidence. It has not got the guts to do that. It will just be a Bill defeated and he can then support the Government in a confidence motion so that Government members can enjoy the perks of office and await their calamity in three years.

The member for MacKillop should not wait for the Legislative Council to save his bacon. The member for MacKillop knows in his heart that country people do not want ETSA sold for all the reasons the member for Chaffey so cogently pointed out. Do not just wait for the Legislative Council to do your job for you: do your job in this Chamber and vote in accordance with the wishes of your constituents. If the Government thinks we are on a financial abyss and it is so important that this legislation passes then, as men and women of integrity, guts and foresight, it will declare the measure a special Bill and put it to the people at a general election.

Mr WILLIAMS (MacKillop): I enter the debate today because it is probably the most important that I or any other member present will ever partake of in this House. We are talking about the capitalisation of the State's largest asset. The decision we make will have a dramatic effect on South Australia well into the future and will determine the lifestyle to be enjoyed by our citizens in the next few decades. This debate should not be about ideologies. It should not be hindered by ingrown prejudices or long-held misconceptions, it should not be controlled by Party intransigencies or political expediencies. Unfortunately, even though this is a vital question, a momentous decision, many of those who have thus far joined the debate have done so at a level which betrays the people of South Australia. I am sure that members on the other side may believe that that remark supports their rhetoric about who knew what and when. Indeed, it means the opposite and, if time permits, I will come back to the statements made by some members later.

First, let us examine why ETSA is in Government hands and why Sir Thomas Playford nationalised the old Adelaide Electric Supply Company and ask ourselves whether it was a good decision then—and most if not all commentators suggest it was—and whether the same imperatives exist today. This is the first test we should apply. I believe there were two major factors in that earlier decision. The generators in South Australia were unable to guarantee supply due to industrial strife over an ongoing period in the New South Wales coalfields. That was the source of the feedstock for the South Australian boilers. Although the Leigh Creek coalfields were known, the Adelaide Electric Supply Company was unmoved by Government entreaties to utilise this local and secure energy source.

The other major factor was the vision of Playford and his Government to provide a distribution network across rural South Australia. Again, this was a low priority of the Adelaide Electric Supply Company and other private entities. Using the test which I have suggested, asking whether these imperatives still exist, quite patently the answer is 'No'. Today, we are still using Leigh Creek coal, and in addition we have the energy source from the Cooper Basin to provide natural competition in our energy market without relying upon outsiders. With regard to the distribution network, most of the work involved was completed about 30 years ago and additions to that system—I am talking about the distribution system and not the transmission system—are carried out at the expense of consumers. This has been the practice for many years. I remember when my parents' rural home was connected to the network in 1964 and they signed a contract which involved payment of a substantial connection fee over a 10-year period.

We may conclude that the original reasons for State ownership no longer exist. We must now ask: have new imperatives entered this field which necessitate the retention of State ownership? In spite of the attempt of many members to argue against such a sale, I am yet to be convinced that there are compelling reasons why the various arms of ETSA and Optima should be retained in public ownership *per se*. Even my erstwhile colleague the member for Gordon said that he did not believe that natural monopolies of essential services should ever be in private hands—a sentiment expressed by many. Without explanation or reason and whilst no doubt a noble sentiment, I suggest it is one founded more on emotion than logic. To enhance my questioning of such a sentiment, I ask members to consider the case in the United States.

Mr Clarke interjecting:

Mr WILLIAMS: I will come to you later, Ralph. The United States is a huge economy where, to my knowledge, electricity is readily available to all and sundry—all provided by the private sector. Private utilities in North America have been supplying power and infrastructure to the American people since the introduction of reticulated electricity supply and no-one has said the supply of essential services, especially under the conditions of a natural monopoly, should be in public hands.

I suggested earlier that this decision should be made for the best reasons, not based upon emotional gut feelings but on the solid foundations of logic and reasoning. Indeed, if we look in our own backyard at the present state of our own energy situation in South Australia, we discover some surprising facts. We discover that, in fact, with regard to reticulated energy in South Australia, electricity accounts for less than 50 per cent of the total, whereas gas accounts for more than 50 per cent of the useable reticulated energy in South Australia, with 80 per cent of South Australian households having access to gas mains. I suggest that the reticulated system for gas is a natural monopoly, a system not unlike the electricity distribution network. It also will never be duplicated. Let us not forget that the gas industry in South Australia is wholly privately owned—indeed, the Labor Party sold it.

Members interjecting:

The SPEAKER: Order!

Mr WILLIAMS: Shame on it! On looking further we discover something even more interesting. On average, gas prices are lower in South Australia than in any other Australian State. In fact, industry in South Australia enjoys gas prices lower than those of other OECD country except the US and Canada. I repeat: the gas industry in South Australia is privately owned, and we know who sold it. My argument thus far has concluded that the original imperatives no longer exist and that no new ones have arisen, thus at this stage I see no reason for the retention of the power assets of this State in public ownership. However, again, using logic and reason that does not automatically mean the State would be better off by selling. It merely means that there is no overriding necessity for public ownership.

Now let us examine the alternatives. Let us examine the assets in the context of our budgetary position. Our debt has been expressed in many different ways: $7 billion, 20 per cent of our State domestic product or an ongoing drain of $2 million a day. Some have said this is manageable. In any circumstances I would question that statement, given the role of the State Government and the expectations of our citizens for the provision of services and infrastructure. However, when we look at our situation in the larger national economy and our position relative to the other States we see that it is plain that that sort of debt level is untenable and unsustainable. Our wellbeing, viability and ability to provide jobs for South Australians depend on our being able to maintain a cost advantage over our competitors. If we cannot produce goods and services here at a lower cost than can be achieved in Victoria, New South Wales and other places, life as we know it in South Australia is over.

Nobody will purchase goods or services from us just because we are the good guys. At the time of the collapse of the State Bank nobody said, 'Oh, because you guys are new at this game and you're naive, we will let you off this time.' That did not happen. Even our own citizens are not loyal to their compatriots, if they can purchase from a factory in China, Taiwan, Korea or elsewhere at a lower price. They do not even want to know about the working conditions in those factories or the pollution records of those factories. Let us make no mistake: the future wellbeing of every person here in South Australia and even those yet unborn depends on our being able to compete in both our national and indeed the global economy. In turn, that ability to produce goods and services at a cost which is attractive to both ourselves and others to a significant extent depends upon the Government of South Australia being able to play its role without imposing too heavy a burden upon the overhead costs of South Australian businesses.

The fact is that the debt levels of the other States are considerably lower than ours and are going down. How will we induce businesses to stay in South Australia, let alone come here, when the Government taxes and charges are higher than anywhere else? What will be our answer to Jeff Kennett when he says to Australian business leaders that in Victoria he will abolish financial institutions duty or reduce payroll taxes? How will we compete then? Indeed, I believe that only today he has offered Victorian teachers a package well above what this State could afford. Several weeks ago the *Advertiser* reported a loss of 23 jobs at Vinidex and cited the missed opportunity over one tender because of the price difference of .07 per cent. That is $7 in $10 000 or $700 in a $1 million contract.

I contend that our debt is not manageable or sustainable, that it requires urgent attention and that this Government must bite the bullet and rein in the debt. The legacy of mismanagement is a fact; further mismanagement will only exacerbate the problem. The question we should now be asking is whether selling our power assets is a viable way of addressing our debt problems. The question is not easy to answer, with the current information available to an Independent on the crossbench—an Independent who has very limited resources available to research such weighty questions, but an Independent who wishes to apply logic and reason to the decision making process. With the Sheridan report the Government suggests that the break even sale price for the asset is about $4 billion, whilst the PSA sponsored report from Professor Quiggan would have us believe that this figure is more likely $7 billion. The truth is somewhere between these figures, and it is very hard to determine exactly where in this gap it lies, although I suspect it is closer to the lower than the higher figure. I will come back to these figures shortly.

The legislation before us is an enabling Bill which, if passed, will allow the Government to sell the power assets. The Premier has told us that before we are asked to vote on this Bill we will be able to see further Bills which will contain the details of such a sale. That is essential, because not only am I concerned about some of the clauses in this Bill but I assure the Premier that I could not consent to its passing without considering the ramifications as spelt out in the further Bill or Bills. Indeed, noting the Government's tenure in this House and its even worse position in the other place, I am wary that, even though the Government may introduce its intentions in one form in that Bill or those Bills, it is possible that amendments may corrupt those intentions. Consequently I will have difficulty voting on this Bill before the subsequent Bills have passed through this Parliament.

Like many speakers before me I have concerns about clause 15(1)(c). Already I have made the case for debt reduction and am very reticent to see this provision to allow proceeds from any asset sale go to Consolidated Account. I flag that, like others, I will be interested in the third reading debate on this clause. In the same vein I have reservations about clause 12(2), and I will show particular interest in the Government's explanation for the need to sell the asset but retain any guarantees.

I turn now to the subsequent Bill or Bills. Many of my colleagues have questioned the future of service and cost to electricity consumers away from the major markets. This is my major concern with this whole process. As I stated at the beginning of this address, one of the imperatives which drove Playford and his Government to set up ETSA over 50 years ago was the need to provide access to the grid for rural and regional South Australia. It is pointless providing access to a service if the cost of the service is such that no-one could afford it or the cost to some consumers is significantly above that to others. If the power is cheaper in, say, Adelaide than in rural towns, it will be impossible to attract and keep in rural towns businesses which use significant amounts of electricity. I believe that it is essential that all South Australians have access to power at the same cost.

Many of those involved in this debate have questioned the ability of private companies, beholden to shareholders, to be able to deliver to South Australians power as cheaply as the State owned ETSA. Let us look at the facts. Let us use what we know about the future to enable us to determine some of the answers to what we do not know about the future. We do

know that, post 2002, South Australian electricity consumers will be in a contestable position. They will be able to negotiate with a range of retailers when purchasing their electricity. The national electricity market will ensure competition in the market for electricity, irrespective of who owns the generating capacity here in South Australia. Consumers will be free to purchase in the competitive marketplace.

I contend that the price of power to South Australian consumers will be determined by factors beyond the control of South Australian generators and, therefore, who owns Optima Energy will have no bearing upon the price of electricity in that competitive market. Those who are frightening the South Australian public by suggesting otherwise are deliberately ignoring what we already know about the future. In addition, this argument ignores the facts which I have earlier established with regard to the gas industry in South Australia. However, post 2002 we also know that our accounts will have two charges over and above the one for electricity—the one to which I have just referred. One of those charges will be the transmission cost of transporting the electricity from the generator to our locality, and the other will be a charge to distribute electricity around our locality to individual consumers, whether they be businesses or householders.

Since the Premier's statement to the House on 17 February I have been very concerned that these costs do not disadvantage regional consumers. I have constantly called for a sale system which promoted competition across the State, wherein people would not be unduly victimised due to their geographic location. It was a great relief to me to hear yesterday, both from the Premier's statement and from the several briefings that I was able to have on this subject, that indeed the distribution costs will be evenly spread across each unit of power consumed, whether throughout my electorate, in Adelaide, Ceduna or anywhere else in South Australia. In addition, we have all learned that largely the transmission cost will be treated in a similar fashion, as far as the ACCC will allow. This, the modelling has shown, will ensure that the worst placed consumers—those at the end of the line—will pay no more than 1.7 per cent more than householders in small businesses will pay in Adelaide per kilowatt hour consumed.

The modelling assumes that the mix of the three components of the future bill—power, transmission and distribution—continues to have the same influence on the bill total as now. The proposal as outlined yesterday indeed allows for a subsidy to protect the small numbers of consumers who may, due to this assumption's not being met, face a differential in cost of over 1.7 per cent. It is proposed that this subsidy be available until at least 2013. The proposal as outlined yesterday satisfies my desire not to see any South Australian disadvantaged by the sale of our power assets. If the subsequent Bill or Bills to be introduced in a few weeks confirm the situation I have described, on the count of equity I will be able to support the Bill before us.

Earlier I said that I would come back to the State debt and inspect what impact the sale may have on our budget. I have already made the case for debt reduction, so as we may be able to provide the necessary services—health, education, policing and so on—into the future. Anyone who would suggest that this is not the case simply does not understand the basics of the economic system. For the Democrats to suggest that our debt levels are manageable because we have carried this debt level before is a total nonsense. Previously South Australia had high debt levels because moneys were expended on infrastructure—on roads, rail, power lines, schools and hospitals. The spending enabled businesses to flourish and underpinned an income stream to the Treasury, which in turn was able to service that debt.

The debt burden under which we suffer today was created by mismanagement and not revenue producing investment. The $3.2 billion State Bank debt created a hole with no corresponding income stream to fill it. For example, the Myer-Remm Centre—over $1 billion in costs—at today's value is worth probably $200 million if we are lucky. The present value reflects the income stream that that centre returns to the owner. The difference between the cost and the present value represents an unfunded debt to the taxpayers of South Australia. The Democrats have never been noted for their grasp of even the most fundamental of economic principles. However, I find their present statements simply staggering.

Let us briefly examine the present situation. ETSA is currently providing an income of around $200 million and is budgeted to return around $162 million in 1998-99. Under the national electricity market, in Government hands the chances of that income increasing is slight. We are entering a new era where power assets will be controlled by accountants and economists, not engineers as in the past. Do we have the necessary expertise, the world experience, currently within ETSA-Optima to compete under the new rules? I think not. We would soon be exposed as the little fish in the big pond and the taxpayers would be the losers. The risk to us is nearly all down side with respect to the income stream. If we look at our debt, we must realise that, of the 2 000-odd loans which the Government currently carries, a considerable number will roll over within the next three or four years, so there will be no loss in early repayment penalties. That is also a nonsense pushed by the opponents of the proposal. Indeed, we risk, without a reduction in the debt, even higher interest charges as those loans are rolled over. It is unlikely that the present low interest rate climate will persist. Again, there is much more down side than up side. Putting the two together—the ETSA-Optima risks and the debt risk—it all points downwards for the taxpayers of South Australia.

The Leader of the Opposition has been calling for the Premier to debate him on this issue. Why has not the Leader used this forum, the Parliament of South Australia, to debate the issue? Instead of enlightened debate on the facts involved, the Opposition has, through both its members' speeches on this issue and through questions during Question Time since February, concentrated on the political by-play, on the 'who knew what when' sideshow. The Opposition keeps playing the line that it has given due consideration, but its actions betray that line.

It is not surprising that many members opposite privately support the sale process. They know only too well of the financial mess that the last Labor Government left behind and would have no desire to win an election and go into government with those debts. It is, however, politically expedient for them to play the anti-sale line. Their concerns are for the ALP and not for South Australia. Especially after the Leader's talk of bipartisanship at the last election, shame on all of you.

In conclusion, my position is that, if the nuts and bolts legislation reflects what I have been led to believe it will, if the protection for my constituency—regional South Australia—is set in concrete, I will be able to support the Government in its proposal to sell the ETSA-Optima assets

for the benefit of all South Australians and for the future prosperity of this State.

Ms RANKINE (Wright): What can I say after that contribution from the member for MacKillop? What an amazing presentation; what amazing logic! Quite frankly, I am gob smacked.

In the time allocated to me I will look at some of the reasons the Government is putting up for our needing to sell ETSA. It is telling us about the risk this State faces. It is telling us about the benefits of privatisation and about the need to reduce our debt. Let us look at those factors one at a time—first, the risk. We are asking a national or an international company to buy our power supply for somewhere between $4 billion to $6 billion. They are saying that this is too risky a venture for the Government to be involved in, but it is asking us to believe that someone with $4 billion to $6 billion would be prepared to lose $2 billion. I do not think so.

The Hon. I.F. Evans interjecting:

Ms RANKINE: They must know that they are going to get back their money. Would you put $4 billion to $6 billion into an enterprise that was going to sink or go broke?

The Hon. I.F. Evans interjecting:

Ms RANKINE: We will get to the State Bank in a minute. I am not frightened. We will have a talk about all of them. The simple fact of the matter is that ETSA is a solid investment for anyone. No-one will line up to put $4 billion to $6 billion into a risky venture and you know it. ETSA continues to make substantial profits. The Government does not talk about ETSA not making a profit but maybe showing a drop in profits.

This Government continues to show a total lack of confidence in the people of this State. We had the member for Stuart saying in this House that we have seen the management of Optima and the ETSA Corporation take a number of steps to ensure that those organisations are operating at world's best practice. He acknowledges that they are already operating at world's best practice. How much better can you get? The Government, however, whilst trying to entice $4 billion to $6 billion out of some private entity, constantly indicates to the people of this State and any investors that we do not have the skills, the capabilities or the knowledge to operate even the most basic of services in this State. How on earth can we expect anyone to invest, to show confidence, when our so-called leaders show none?

The risk, they say, is because we are losing a monopoly. The member for Unley said that future generations will blame the Government that a State asset was squandered, went broke, and that the Government is in some way to blame. We are getting in excess of $200 million a year into the State coffers from the profits of ETSA, and that is not the total profits. Does he really think that, even if we on this side are unable to prevent this disastrous legislation being passed, any Government, Labor or Liberal, could afford to allow our State electricity supplier to go broke? Does he really think, whether ETSA and Optima are publicly or privately owned, that an implied Government guarantee would not apply?

The Hon. I.F. Evans interjecting:

Ms RANKINE: You tell me; would you let them go broke? I do not think so. You could not afford to. You could not even hold your seat if our power supply went broke.

The member for Unley also used the ludicrous example of the closure of John Martins. He asserted that the people of South Australia were at fault—not David Jones. He asserted that people were not shopping at John Martins, and that is why it closed. That is an analogy he used in terms of our power. It is a pretty long bow to draw. He needs to be reminded that Sunday trading had a pretty significant impact on the closure of John Martins.

The sale of ETSA and Optima Energy will protect South Australia and the people of this State not from risk but from profit.

Let us look at the benefits of privatisation. We have experienced some here, and we have seen them from overseas. In South Australia we have had the privatisation of SA Water. What have we seen in that regard?

Mr Clarke interjecting:

Ms RANKINE: As the member for Ross Smith said, it is an outstanding success! We have had massive job losses, price increases and, of course, we have had the Bolivar stench, where we had to pay thousands of dollars for a former Government employee to come over and fix it because the private operators did not know what was wrong. We have also had allegations of corruption and nepotism made against a company controlled by Thames Water and considerable controversy surrounding the tendering process. Locally that has been an outstanding success and members opposite can stand up with a badge of honour about that one!

In Auckland there has been a disaster. During the blackout residents were evacuated from the city, businesses were closed, shops were operating and trading in the streets and the banks were closed. What was the cost? They paid a 32 per cent price hike for their power. Another outstanding success! Are the people of South Australia prepared to pay this price? Are the people of South Australia prepared to take this risk? I do not think so.

Let us look at debt reduction. Members opposite tell us that we have to reduce the debt caused by the losses of the State Bank. Labor has been hit around the head so long and so hard by members opposite that even the electors of South Australia got sick of this excuse. Let us have a look at what happened. Money was lost in the State Bank because the Government took a hands-off role. It was not, as the member for Mawson asserted, that the Labor Party tried to run a business and made a mess of it. The mess was made because the Labor Party—the Government—was not directly running the business. It was effectively privately run, and legislation required this. That is why the losses were made, yet this Government wants to go down the same track with nearly every Government service and enterprise.

It wants a hands-off role in running our sewer and water services. And what happens? We end up with a big stink. What do members opposite say? They say, 'Don't blame us; it's not our fault.' They want a hands-off role running our hospitals, but they say, 'Don't blame us for the bungles.' They want a hands-off role in running our buses. That shows enormous confidence in South Australians, doesn't it? It sends a great message: we cannot even run our own bus services. They want a hands-off role for our power supply, and their attitude will be, 'Don't blame us if you are left in the dark.'

However, it is not only these services: they also have their eyes on the Lotteries Commission, the TAB, the Motor Accident Commission, HomeStart and WorkCover. By the time they are finished, we will not have anything left. As the member for Torrens said to me just a while ago, the only asset that will be left is this building, and the only thing they have not done is to put a price on that. The accusation that our children will come back to us with—

Mr Clarke interjecting:

Ms RANKINE: That's the cheap bit, Ralph. Our children will ask us, 'Why did you allow every valuable asset in this State to be sold off?'

If this Government was serious about debt reduction, the allocation of funds from the sale of ETSA and Optima would be stipulated in the legislation. However, this is apparently not necessary. We have a Premier who says, 'Trust us. I know best. I know what to do with the money.' This side of the House is a wake up to that. This sale will fund a great big fat war chest for the Premier's next attempt at saving his job.

I agree with the assessment of the member for Kaurna. He told this House some time ago that he believed the sale was based not on any economic rationale but on ideology. The Premier sat down and thought about it. He knows that he nearly lost the last election. He is certain to lose the next.

Mr Clarke interjecting:

Ms RANKINE: That's probably true, Ralph, although his only chance to achieve this ideological goal is now and, if he does that, it protects his position as Premier, because no-one else will want it; no-one will want to take this Party to the next election.

The only person who has been honest about this proposal and about why they want to sell ETSA and Optima Energy is the member for Flinders. At least she had the courage to stand up and say that she believes Governments should not be in enterprises that can be run by private enterprise.

It is that simple, and it is a shame that other members opposite and the Premier cannot be as honest. This is all about making sure their mates make a quid. It is not about ensuring that a vital essential service is secure in its supply, it is not about families and small businesses of South Australia or about ensuring that country consumers have an adequate and cheap supply: it is simply about profit—profit for their mates. It is not surprising that they lack honesty in this debate.

I want to register my real compassion for a number of members opposite, some of whom genuinely went out to the people of their electorates before the 11 October election and assured them that ETSA and Optima would not be sold. The arguments they have been forced to put to this House and the justifications they have been forced to make must be sticking in their throats well and truly.

Imagine how the member for Stuart must feel. He asked this House some time ago how many members on this side had taken the time to visit the powerhouse at Port Augusta. I have, and I know a number of other members have as well. The members for Ramsay and Ross Smith are regular visitors to Port Augusta, much to annoyance of the member for Stuart.

I have spent 8½ years living in the Iron Triangle. I know of the importance of the powerhouse to the people of Port Augusta. I wonder how long it has been since the member for Stuart has had the courage to visit the powerhouse at Port Augusta. I bet he has not been there since this announcement was made and, quite frankly, who could blame him?

Members opposite, in their innocence, this House, and the people of South Australia have been subjected to the biggest political deception in the history of this State. Day after day we see the web of deceit and lies slowly being unravelled. Day after day we see new threats being put to the people of South Australia—threats of increased taxes and a mini-budget. Then there was the threat of 10 000 to 20 000 job cuts, from which the Premier backed away at a million miles an hour when he was tackled.

The latest is a referendum on the issue. He could have had this on 11 October if he had honest with the people of South Australia and his own Party. However, even yesterday, as the member for Ross Smith said, he was again given the opportunity by declaring the ETSA Bill a Bill of special importance. What was his reply to this suggestion—a suggestion that put on the line the job of not only ETSA workers but the Premier as well? Clearly, this was not palatable to the honourable Premier. 'No answer', was his stern reply to that question.

Then we have the Governor's speech, in which he said that his Government was going to engender trust in the political process by ensuring a productive level of debate within Parliament and indicate by example that Governments are accountable to the people. If that is their idea of accountability, I'll go he.

I sent nearly 13 000 survey forms in relation to the sale of Optima and ETSA to my constituents and hundreds and hundreds were returned: I did not have five come back in support of it.

The other day I saw a letter to the Editor in the paper and I thought I would share it with the House, because it sums up the situation and the views of the people of South Australia very well. Renee Price of Willaston said:

> What with all the privatisation that has occurred and been proposed and the outsourcing of certain Government departments, I am left to wonder about the long-term real effects this will have on society. It seems to me that a Government that takes less responsibility for its people is in grave danger of losing any sort of public respect or trust because of an uneven balance of power within the private sector. We've all heard the arguments (mainly economic) for privatisation, but surely the point has been missed entirely.
>
> Put simply, people will be at the mercy of a few self-interested individuals making decisions about the quality of their lives instead of being part of a process that can elect those who represent them to make decisions. In short, a great divide between the controlled and the controllers. To put power in the hands of a few is not the way to create an equal society. We still want an equal society, don't we, or have I missed something?

I do not support the sale of ETSA and Optima Energy. Clearly, neither does Renee Price of Willaston nor the people of my electorate.

Mrs GERAGHTY (Torrens): Most of what I wanted to say has already been said. I support the contribution of the member for Chaffey and members on this side who have clearly indicated that this sale is not in the best interests of our community. Therefore, I have a great deal of trouble with even giving consideration to the support of this proposal. I think it is worth mentioning a couple of points. It is quite clear that the Government is using the proposed sale to further its real agenda, which is to privatise all State owned assets, anything that is owned by the people, whether or not it is in the best interests of South Australia.

In his statement yesterday, the Premier said that ideology played no part in his decision. He also said that this new deregulated market is no place for public authorities to risk taxpayers' funds. This claim of a risk to taxpayers' funds is absolutely unconvincing because, clearly, the Premier is unable to provide any evidence to this effect. What is clear is that he is willing to risk a reliable supply of power that is affordable to the people of South Australia. Pursuing that question of whether or not it is in the best interests of South Australia, it appears to be of no interest to the Government because, if it were, it would consider the needs and interests of this community above all else.

First, we need a reliable supply of power at an affordable price. The Government said that there would be no change in the supply and no great price hikes or power cuts. The Government said that when it off-loaded our water industry to private concerns. What happened to the guarantee that the Government gave us that there would not be any great increases?

Ms Rankine interjecting:

Mrs GERAGHTY: Yes. The member for Wright has already said that water charges have increased dramatically by 25 per cent or more. The community is struggling with the additional burden of these costs.

Ms Rankine interjecting:

Mrs GERAGHTY: That's right. As the member for Wright says, that guarantee went down the drain. Maintenance declined and confusion was the order of the day when the management changed, because no-one knew who was responsible for which service. You had to make several telephone calls to find out who was going to fix what, and that disadvantaged consumers. Jobs were lost as well as the expertise that had been built up over a long period of years. That expertise kept our water supply constant and kept down costs. Along with the reduction in staffing levels that we have already seen in ETSA, we have lost a lot of expertise, particularly in the cable maintenance section, which has gone interstate. That is a matter of great concern, because we rely on maintenance to give us a constant supply of power.

ETSA once prided itself on this expertise. Within the industry there is real concern that, if the power supply to the city's 275 000 underground cables fails, the skills that we require to repair those cables are now so limited because of the reduction in staff and people moving interstate that we will have to rely on assistance from somewhere else. So, that will create delays. That is worth mentioning because it leads to the situation that occurred in Auckland, which has been mentioned by the member for Wright. I do not think that we should disregard that devastating experience.

When the power supply to the city of Auckland failed, businesses were without a constant supply for six weeks. As the member for Elder mentioned earlier this year, the right of those businesses to claim compensation was dismissed by Mercury Energy because they did not have a direct contract with that company. Because they were tenants in a building, it was the landlord who actually had the contract. Therefore, those businesses had no right of compensation. The only way in which they can seek compensation for their loss is through the courts. That is another financial burden to add to the losses they have experienced. Some losses were so burdensome that businesses went to the wall, and those that were able to relocate during the power failure most likely will never come back to the city.

I want to recall some of the concerns expressed by those business people, quite a few of whom were on the point of emotionally breaking. They were concerned not only for themselves but for other businesses that had gone under. A couple of them said to me that they felt abandoned by the New Zealand Prime Minister because their disastrous situation was dismissed by her with remarks such as, 'Well, those businesses would have folded anyway.' That is not the case. They were viable businesses, but they went under because they did not have a constant supply of power and, therefore, could not carry on their business and generate income. That shows the uncaring and disinterested attitude of that Government, which has an agenda of its own.

We know what this Government's agenda is. We can only assume that its attitude will be the same in the event of a sale. When the New Zealand Government was dismissing the concerns of people in Auckland—and I think the member for Wright touched on this—what did it do during that power failure? A rival company to Mercury Energy situated a kilometre away offered to bring power to the city so that it could continue to function. That offer was refused by Mercury Energy obviously because it was afraid to allow a competitor into its territory as this would mean competition and because some of the consumers who used the rival company's power would not go back to Mercury but would stay with the rival company.

The Government did not intervene to ensure that consumers had a continuous supply of power. Obviously, it did not care about those businesses. It is my understanding that that alternative power supply could have been used within a week, but the Government did not care. It is quite likely that that sort of situation could arise here, because if our power supply is controlled by private management the Government will not bother to intervene.

As the member for Wright said, it will not let them go under but it will be 'hands off', and the consumers will have to put up with an unreliable supply. Mercury Energy outsourced the maintenance work to another company that actually did not have an appropriate or precautionary maintenance program in place to protect the cables to the city. There were no checks and balances from that company, so it too had little public commitment. I think that there is a lesson to be learnt from the New Zealand experience. But this Government will not even concede that such a disaster could occur here. It will not concede that it could happen in our city. Those who have worked on those cables and who know the power situation concerning the City of Adelaide know full well that the situation in Auckland could apply here, but the Government simply will not acknowledge it. It is not concerned about the risk to the public: it is more concerned about the risk to its own agenda, that is, to privatise ETSA. What guarantees can the Government give us that it will not happen here under a privately owned company?

Yesterday, we heard the Premier say that prices will be controlled and that the cost differential for households and small businesses in different areas of the State is to be kept at no more than 1.7 per cent after the year 2003. He said that our water prices would not rise above inflation, but we have experienced price hikes up to 25 per cent or more. I do not think we can place much value on that statement. I do not think we can believe his commitment because we have had such commitments before.

We have to ask the Government: will it guarantee supply restoration if supply fails due to poor maintenance, or for some other reason, on the same day and at no cost to the consumer—which is the situation today? Can it guarantee that situation if a private company is to supply power to us? I do not think so. What about our rural folk, as the member for Chaffey mentioned? As a result of the loss of jobs in ETSA, they are already experiencing long delays in having their power reconnected or maintenance done. What kind of guarantees will the Government give them? It is essential that our country areas are productive and that our country folk have a fair quality of life, because that contributes to our State's economic stability and wellbeing. Perhaps the Premier might like to put some thought into that.

Power and water are the essential services for our existence. If we have no control over them, we are a State or

a nation really beholden to the whim of the dollar. People have no role to play or no rights when the dollar is the main agenda. If you can pay, you will get the service: if you cannot pay, you will go without regardless of the circumstances. My colleague the member for Price has, as no doubt have many other members in this House, experienced the situation with constituents who cannot pay their electricity bill. People are without power now because ETSA has cut off their power as a result of their not being able to pay their bills. It has not examined why they cannot pay their bills: it has just cut off their power.

People in this situation are having trouble negotiating with ETSA. I have experienced that difficulty myself when acting on behalf of constituents and trying to get ETSA to consider either leaving the power connected while we work out a program of instalment payments, or getting it to reconnect power to people who can pay by instalment but who in the meantime may have a child at home who, for instance, needs a ventilator machine. ETSA does not care about those situations.

It is a hell of a job to get a private company, as we have heard with Boral Gas, to show some sympathy. People cannot live without power. We do not have gaslight and we cannot run most of our household on gas, but we need electricity. It is absolutely essential that we have that supply. If we sell ETSA, perhaps the Premier will be able to answer this: how many people will end up without power? If some unforeseen circumstance arises and ETSA is sold, we will be able to come in here and count the numbers off and there will be many of those.

Ms Rankine: It will be like it is in England.

Mrs GERAGHTY: Yes. It is a sad fact that we do have people, not only in the suburbs or the metropolitan area of Adelaide but also in the country, who have no power and whose children suffer.

Ms Rankine interjecting:

Mrs GERAGHTY: As the member for Wright said, their children do suffer. I think we need to bear in mind all those things. With so many of our essential services such as power, water and health being handed over to private control, we must remember that is happening not just in Australia but world wide. One day it will dawn on us, when we suddenly realise that a minority of companies—and probably it will be a small minority in the future as these companies amalgamate or are taken over by more powerful groups—have total control of global services and as a Government we will have lost the right to govern for the good of our communities.

Ms Rankine interjecting:

Mrs GERAGHTY: There will not be anything left to govern. Such power brokers will then set the agenda and their agenda will be our agenda by force: we will not have any control. ETSA has contributed many millions of dollars to the Treasury bank over the years—far greater than the best possible sale price that the Government would be hoping for. When the revenue generated from ETSA is no longer there, what moneys will the Government use to fund health, education and other non-dollar generating utilities? Will it put up State taxes and charges over and over again until the community is so financially devastated that they go under?

Ms Rankine interjecting:

Mrs GERAGHTY: Yes, more levies.

The DEPUTY SPEAKER: Order! The chat on the Opposition benches might cease.

Mrs GERAGHTY: Thank you, Sir. I am grateful to be reminded of the new term 'levies'.

The DEPUTY SPEAKER: Order! Would the member for Waite either enter the Chamber or take a seat in the gallery.

Mrs GERAGHTY: To sell ETSA makes no financial sense at all. ETSA is a publicly owned and publicly controlled utility which is financially sound and viable, which puts money into the Treasury bank and which provides an essential service. So, this agenda of the Government is just absolute madness.

Mr HANNA (Mitchell): Much of the technical analysis has been done by other speakers on the Labor side and, indeed, by other speakers such as the member for Chaffey and the member for Gordon who spoke clearly and decisively.

Mr Clarke interjecting:

Mr HANNA: Mr Deputy Speaker, I seek your protection: I am being harassed on my wing.

The DEPUTY SPEAKER: Order! I suggest those in the wing cease to be a nuisance. The member for Mitchell has the floor.

Mr HANNA: The Opposition came out immediately after John Olsen's privatisation proposal was announced and decisively rejected it. It is true that many on the Opposition benches have a philosophical disposition toward retaining profitable, efficient, essential services in Government hands, rather than allowing the perils of free enterprise to play with the community service obligations that these essential services carry with them.

Of course, there is a very sound reason for that, namely, the Labor Party's history of looking after the people, something the Labor Party in South Australia and at national level has pursued ever since its creation. There are sound reasons for us to be concerned about the market in general terms. If it runs out of control and if it is left unregulated to pursue the profit motive, it will always be at the expense of what we call 'community service obligations'. Although the jargon is 'community service obligations', it means that there are basic standards which we as a Government—and I mean that in the apolitical sense—provide to the people of South Australia. We mean to provide them with reliable essential services at an affordable price. Those services also need to be accountable so that people not only receive the essential services they need, particularly services such as water supply, power supply and, to an extent, food supply, but are able to afford those services and can see that the agencies providing those services operate efficiently.

With a number of previously Government-owned enterprises—and I think that the water agency is a good example—there was a loss of accountability. Of course, that may be remedied if something such as a Statutory Authorities Committee is able to look at contracts and the provision of services in detail, but we do not have an adequate vehicle at this time to assess satisfactorily the performance of those community service obligations by SA Water and United Water in their provision of services. Indeed, we have witnessed major problems with the provision of services by the water agency. We do not want to see the same thing happen to ETSA. People, especially those in the country, have a reason to fear cutbacks in those community service obligations. In other words, people have reason to be concerned about receiving a less reliable service, less affordable service and discriminatory service in the sense that those who are close to generators will, if the market has its

way, have a natural advantage over those who live farther away from electricity generators or the interconnector.

Indeed, the Premier acknowledged this today when he boasted that certain consumers in South Australia would have a price advantage. For example, the Premier said that those who live close to the generator in Port Augusta would have a price advantage. What does that mean? It means that the converse must also be true. Those who live at Oodnadatta, Ceduna or Kingscote will lose out, because they will be farther away from the generators. If the market is allowed its way, the transmission costs, which obviously go with getting the power from the generator to the consumer, will be built into the price paid by the consumer. It is true that the Premier has given certain guarantees about pricing, but they are for only a short period into the future. In the next century I do not want to see country consumers and businesses suffer inequitably any more than I want to see consumers in my electorate suffer from the mistake that the Government wishes to pursue in terms of the sale of our electricity agencies.

Although it is true that, initially, the Opposition focused on the Premier's dishonesty in terms of this proposal, the research work has well and truly been done by the Opposition, by agencies which have informed the Opposition and by other members of this Parliament, whether it be the Democrats in another place or the Independent conservatives who sit on the cross benches in this place. That is well and truly testament to the contributions of the member for Gordon and the member for Chaffey in particular who spoke clearly and passionately about the risks not of retaining ETSA but of selling it.

I refer to the Premier's dishonesty because, clearly, the Deputy Premier, the Premier and probably others in Cabinet knew that they intended to sell ETSA before the State election in October last year. The questions put to the Premier and the Deputy Premier on this precise issue have elicited the answers that we predicted. Our independent proof shows that they knew before the last State election that they would sell ETSA. Let us have an honest appraisal by the people of South Australia about this proposal. If it is so good and if it stacks up technically in the way that the Premier asserts, let him go to the people on this Bill. The Premier tells us how crucial it is for South Australia. Let the Premier go to the people on this Bill. I do not refer to a referendum on this Bill: let us have the ETSA election that we should have had in October last year.

In October last year the people spoke clearly against privatisation. Of course, this week there was a newspaper report about the ETSA legislation being deemed a Bill of special importance. I think the *Advertiser* got it wrong when it referred to it as a Bill of public importance. Nobody is disputing that it is a Bill of public importance. In our Constitution there is such a thing as a Bill of special importance. Probably, most members are not aware of that provision, but briefly it says this: if a Bill is passed in this place—and politically and realistically we would say that this ETSA legislation will be passed here—and it is not passed in the Legislative Council, or if the Legislative Council unduly delays its passage, then it is up to the Government to deem this legislation a Bill of special importance. When I speak of a Bill, I refer to perhaps a number of Bills which comprise this package and which set the scene for the sale of ETSA. If that happens, the Government has the right to go to an early election, and I say it should pursue that right.

If John Olsen is honest and claims that this legislation is critical to South Australia and is of State Bank proportions, let us go to an election on it. Let him persuade the people. He has already authorised the expenditure of hundreds of thousands of dollars in a propaganda campaign to try to sway them and, if he is going to do that, let us have a full-on election. The Opposition will be ready for it because we know, from what we have heard over the past few years, that people do not want privatisation. It may be difficult for both sides to get the technical details of the argument across to the general public, because it does take resources to get the message across when we talk about the finer points and the extent to which there is an ETSA dividend and the extent to which it might be used to pay off some State debt, although not nearly enough. However, there is the opportunity for both sides to appeal to people's commonsense and to provide them with as much information as possible.

In a sense, people had this opportunity at the last State election, following on from the EDS and water contracts, which were the two landmarks from the last Parliament in respect of privatising State Government services. The management of our water supply and all our State's computer hardware and services was outsourced to foreign companies. As I suggested earlier, what we lose there is an element of reliability and accountability and, ultimately, we risk losing affordability. We have yet to see the day when the EDS contract or the water management contract come to an end, when those within the Public Service have lost expertise and lost track of many assets and management practices. It is much harder to get these people out than it is to get them in, and it may be that it is a future Labor Government that has to pick up the tab and perhaps pick up the mess when these foreign companies have to walk out and let us once again resume ownership and management of these essential services for the sake of service provision for the people and the Government agencies which use them.

I am predicting the future to some extent here. The member for MacKillop disappointingly and for political reasons has indicated support for the legislation. He had some reservations, and I am glad he acknowledged them in this place. Although he is an Independent member in name, everyone acknowledges that he will probably rejoin the Liberal Party at a future date and will be looking for Liberal preselection for the seat of MacKillop before the next State election. Therefore, it is no surprise that he is not going to alienate the Government on one of its most important pieces of legislation, that is, from the Government's point of view. Given the finely balanced numbers in this place, the legislation probably will be passed here but, given the Labor and Democrat rational opposition which reflects public opinion in relation to this legislation in another place, it will not get through the Legislative Council.

That will be the true test of the Premier's character because, if he believes everything he says about this Bill, he will take the plunge and declare it a Bill of special importance and go to an election so that the people can make a judgment about his Government and this legislation. I will make a couple of brief points. The point about community service obligations, the provision of services to our people, is critical and is a point everyone in South Australia can appreciate. They are appreciated by the people more than by the economic rationalists who are driving the Premier and the Government in the decisions on the ETSA legislation.

What about the debt fixation? I believe that what it is really about is not reducing State debt so much as being part

of an overall strategy to reduce Government to as small a size as possible. I cannot blame people in a sense for holding that philosophy. If they want Government to be as small as possible and for taxation to be as small as possible relative to what we currently have, which businesses and those who work for greed and profit rely on, those people will benefit to the detriment of people who do not have the opportunity to work for profit but who, instead, are beholden to those who own and manage the business world. They are the friends of the Liberals, and the Liberals are not the friends of the people. I wind up there because the dinner break approaches, but I have put the essential points in respect of the ETSA sale. I do not have time to go into all the technical analysis, but I believe that the technical analysis shows that the Government has not proved its case.

The Hon. D.C. WOTTON secured the adjournment of the debate.

[Sitting suspended from 6 to 7.30 p.m.]

WATER LEVY

The Hon. D.C. KOTZ (Minister for Environment and Heritage): I seek leave to make a ministerial statement.

Leave granted.

The Hon. D.C. KOTZ: It was brought to my attention earlier today that the member for Gordon came into the House this afternoon and made a statement reflecting on the validity of the water levy that has recently been raised in the South-East. The honourable member's comments cited a chronological resume of processes undertaken under which the catchment board levy has been struck in recent times—which are all quite correct. The honourable member then chose to call on the Minister as a matter of urgency to revoke the levy, as he believed there was a case to question the legal validity of the levy that has just been struck. The honourable member went on condescendingly to suggest that the Minister should also take legal advice in the matter of this levy.

I think we are all aware that the member for Gordon has had considerable interest in the management of South-East water, and rightly so, because he is the honourable member elected to represent that area, but, with a great deal of zeal, I would suggest, he has continued to attempt to have the catchment board and the water levy in the South-East not happen at all. A great degree of environmental harm would be caused if the catchment board was not settled and a levy not struck to enable the operations of the catchment board to proceed. If the board was not set up and the levy struck this year, it could quite possibly be another year before any of the environmental concerns would be addressed.

The member for Gordon has previously been concerned. I am aware that, during a meeting of the South-East Water Catchment Board recently, when the board suggested a reduction in the levy, the honourable member waved some eight pages of what he considered to be legal advice and advised the board that, if it did not make a decision on the water levy that day, he would not be able to go into Parliament and move a motion of disallowance because of the requirement that the paperwork lay on the table for 14 sitting days. This was published in the local press, and the member for Gordon wrote to me on that occasion.

I replied to advise him that a report published by me under section 121 of the Water Resources Act does not need to be tabled in Parliament and therefore is not disallowable by Parliament. Similarly, a levy declared by me on the basis of a section 121 report is not subject to disallowance. Such a levy does not form part of a catchment board's plan and is therefore not subject to the processes set out in section 95 of the Act, which include consideration by the Economic and Finance Committee and subsequent possible referral to the House.

I would suggest that, in his zeal to accommodate some of the interests in the South-East, the honourable member really needs to take a very long look at and question some of his own actions. I would suggest that the honourable member needs to consider whether there is a conflict of interest between his electorate duties and his paid responsibilities as a member of the Economic and Finance Committee and, if that is the case, perhaps he should look at resigning. Playing the political agenda as opposed to the administrative responsibility assumed by a member of that parliamentary committee would certainly put into question whether a conflict of interest exists. I say this, because the member for Gordon is well aware that this Minister has taken legal advice on many occasions, understanding the true sensitivity of the matters that are reported in the South-East.

I am also aware—and this is why I ask the honourable member to reflect on some of the actions he has taken—that the honourable member has, in fact, the same legal advice as I have. I am also aware that that advice was given to him in Question Time today, so he had available the ratification of the processes under which I undertook to set the water levy and the board in place. He had the ratification of that information before he came into this House and made the statement that he did. I trust that this statement has well and truly put the matters to rest, and I conclude by reading the legal advice, which is pertinent, as follows:

> . . . as the relevant board has not yet developed a plan, the Minister has power to reduce the levy previously imposed by her provided that she acts before the commencement of the financial year to which the levy relates, i.e. notice of the levy must be published in the *Gazette* on or before 30 June 1998.

That was done.

Mr MEIER: Mr Speaker, I draw your attention to the state of the House.

A quorum having been formed:

PUBLIC WORKS COMMITTEE: MOUNT GAMBIER POLICE COMPLEX

Adjourned debate on motion of Mr Lewis:

That the sixty-eighth report (interim) of the committee on the Mount Gambier police complex be noted.

(Continued from 4 June. Page 1112.)

Ms STEVENS (Elizabeth): I will be brief in my support of the report on the Mount Gambier police complex. It seems a long time ago that the committee deliberated on this matter. We received evidence, went to Mount Gambier and looked over the facilities, and all of us on the committee were well and truly convinced that this project was justified and something that should happen as soon as possible. This is an interim report from the Public Works Committee simply because the committee is awaiting the acquittals required from Premier and Cabinet, Crown Law and Treasury. These have been a long time coming.

A few weeks ago the committee met with Mr Ian Kowalick, the head of the Department of the Premier and

Cabinet, and we agreed upon a format for these acquittals. I recall that at that meeting we impressed upon Mr Kowalick the urgency of our getting these acquittals and the fact that this project and the Adelaide Youth Court matter to follow were being held up by our awaiting them. I have yet to hear whether we have received those acquittals, but the Public Works Committee is most anxious to give these projects the final go ahead. I assure the House that the resolution of this matter lies firmly in the hands of Mr Kowalick in terms of making sure that those three acquittals are forthcoming. It is a worthwhile project, it is needed and it must happen as soon as possible.

Motion carried.

PUBLIC WORKS COMMITTEE: ADELAIDE YOUTH COURT

Adjourned debate on motion of Mr Lewis:

That the sixty-ninth report (interim) of the committee on the Adelaide Youth Court redevelopment be noted.

(Continued from 28 May. Page 959.)

Ms STEVENS (Elizabeth): I could virtually say 'ditto' in terms of this project as the aspects that apply to the Mount Gambier police complex apply to this matter. The committee took evidence some months ago and did an inspection of the site. It is quite clear that the redevelopment is needed as soon as possible. The same situation applies: we are simply waiting for the acquittals. I hope, as I am sure do all committee members, these acquittals come quickly because, as soon as they come, we will table a final report and work can begin. We fully support this project.

Mr LEWIS (Hammond): The points are well made. As members will recall at the time I introduced this proposition, I made the point that the committee does not have the acquittals it requires, and there are no other reservations in the mind of committee members about the desirability of this work. However, we need to be satisfied that due process will be followed. We need the assurance that the proposal, as put before the committee, was the proposal as passed by Cabinet. We need the assurance that the processes to be followed in letting the contracts for the work will accord to the best practice we have adopted, that the Department of Services and Supply will be responsible for the way in which those contracts are let, and that it is prudent so to do. We also need the assurance that the arithmetic that has been done by the people who develop the statement of costs associated with the project, and the benefits to be derived from it, is accurate.

They are the three things to which the Auditor-General drew attention in his last report to the Parliament. Committee members unanimously see the good sense of requiring that approach to be taken by the Government, whether the Cabinet alone, or agencies together. The member for Elizabeth underlines for us the view of the Opposition about those same matters. There is unanimity about the need for it, and I point out to the House that the committee in session has had further discussion with Mr Ian Kowalick on behalf of the Government and its agencies and been assured that those acquittals as drafted by him, following discussions between him, the secretary of the committee, heads of other agencies and others in Government and me, are entirely acceptable in the form we have adopted jointly. I look forward to a rapid receipt of those acquittals so that the committee can bring in its final report and allow this matter to immediately go to contract.

Motion carried.

PUBLIC WORKS COMMITTEE: HINDMARSH SOCCER STADIUM

Adjourned debate on motion of Mr Lewis:

That the sixty-seventh report (interim) of the committee on the Hindmarsh Soccer Stadium Upgrade—Stage 2—be noted.

(Continued from 4 June. Page 1155.)

Ms THOMPSON (Reynell): Events have passed by the statement that I would have made in relation to the interim report, as we are about to deal with the substantial matter of the final report. It is important to emphasise the reason why the committee moved to deliver an interim report, and that was simply the frustration the committee was experiencing in receiving the information that it needed to be able to discharge its functions appropriately in accordance with the Parliamentary Committees Act. I have here a list of 32 items that were promised to us during the course of evidence presented on three different days, a few of which we received, but the substantial proportion of the evidence that we requested was never received.

This information was requested in order to enable us to make informed judgments about the benefit to the State of the expenditure of $18.5 million, in addition to the $9.5 million already expended in the upgrade of the Hindmarsh Soccer Stadium. The whole issue of the desirability of the upgrade is something that we can discuss in a minute, but the main purpose of the committee's presenting an interim report was to make very clear to the Parliament and to the proponents of the project just what it was we needed, given that they did not seem to have been able to glean this from the transcripts of the evidence provided to them. They were not able to fulfil the commitments they had made to the committee in terms of providing evidence, and we wanted to present to the community our concerns about the expenditure of such a large sum of money without a prudential process. As I indicated, the merits of the Hindmarsh Soccer Stadium will be debated in relation to the final report. I merely wish to emphasise why it was that the committee took the fairly unusual step of presenting such a huge interim report with indications of so much outstanding evidence.

Ms WHITE (Taylor): I want to make a brief comment on this interim report. The thrust of my contribution tonight will be to support the majority findings of the interim report presented by the Public Works Committee and to support that committee in the role that it has performed under its parliamentary obligations. I support those members who have done their best to perform the function this Parliament and the people of South Australia expect them to perform. The Auditor-General has commented on the need particularly for Public Works Committee members to act in that way. I commend those members for having the guts to stand up and do the job that they need to do.

I have some knowledge of this project from my time on the Public Works Committee before the last election. When the first stage of this project came before the committee I was a member of it. It has been said by members of the current Public Works Committee—and I can confirm this—that the project brought before that committee, which was constituted before the last election, was for one stage and one stage only. No indication to the contrary was ever given to that committee, and it would have been a requirement that it be given to that committee if another stage had been planned. It was not until those committee members—including me—were

surprised to find a budget allocation for a second stage that we had any knowledge that there was to be a second stage. It is significant that the current Public Works Committee has stated:

> After examination of both written and oral evidence, the Public Works Committee finds that at this stage it cannot endorse the proposal to undertake Stage 2 of the Hindmarsh Soccer Stadium upgrade as it cannot ensure that the project meets the criteria as set out in the Parliamentary Committees Act 1991.

That should sound alarm bells to the Government. The Auditor-General has issued a warning to the Government about the way it treats the Public Works Committee and the necessity for the Government to aid rather than hinder deliberations of that committee.

The manager of the capital works department of the Department of Recreation and Sport, who was managing Stage 1 of this project, in February 1997 wrote to the Public Works Committee confirming that the total budget allocation was only for Stage 1 of the project. That was the chief public servant dealing with that project. Suddenly, when the budget came down a few months later, there is another stage. The questions to be asked here, therefore, are, 'When was the decision to have a second stage arrived at? What were the reasons for that, and what was the process in doing that?' I remind members that the local paper, the *Weekly Times Messenger*, and a journalist, Scott Cowham, have followed the progress of this project over an extended period. I refer to a front page article on 23 July 1997, entitled 'Taxpayers landed with extra $16 million cost on Hindmarsh stadium work', where Scott Cowham quotes the then Chair of the Public Works Committee, the Hon. John Oswald, as saying:

> We always believed it [the upgrade] was going to be a one-stage project.

The Chair of the Public Works Committee did not find out about Stage 2 until it appeared in the budget papers, and that is how other members of the committee found that out. I do not want to relive the detail of this project, because Opposition members of the current Public Works Committee can do that, other than to say that last year in my role as shadow Recreation and Sport Minister I lodged a freedom of information request with the Government for information on Stage 2 of the project. I asked when it was decided and whether they could supply the supporting documentation on Stage 2. The Government ignored my request for quite a long time, then the election period of October last year intervened, and it took an appeal from me on behalf of the Opposition to the Ombudsman to get any documents from the current Recreation and Sport Minister. A total of 31 documents were identified, but two-thirds of those were not provided. However, the vast majority of the documents described relate to a period in 1997. Very few documents identified in this freedom of information response are dated at the end of 1996 when we were told that the decision was made by the Government concerning Stage 2.

It is strange, indeed, that all the documents the Government identified as being the total of the documents released or otherwise—and two-thirds of them have not been released to the Opposition—are dated March, April and May 1997. I put that on the record so that members can draw their own conclusions. Three documents have been identified as being dated 1996, and I will describe them to the Parliament. There is a letter from SOCOG to Premier Olsen dated 19 December 1996. That is the letter stating that we have won the right to stage those Olympic matches. There is a fax from Kevin Simmonds to Bill Spurr dated 17 September 1996, and there is a letter from John Iliffe to Premier Brown dated 9 July 1996. That was not released to the Opposition.

Apart from those and an undated letter from Premier Brown to Garry Pemberton, no other indication is given in this document that there is within Government at any stage any documents pre-dating the December 1996 announcement that we had won those Olympic matches. So, I put that into the public forum for members to consider. It is very strange indeed, and members can draw their own conclusion. I can make available to any member who requests them the documents that have been supplied to the Opposition, and I can also make available the list of documents that have been denied to the Opposition.

Motion carried.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: AQUACULTURE

Mr VENNING (Schubert): I move:

> That the twenty-ninth report of the committee on aquaculture be noted.

It gives me a great deal of pleasure tonight to deliver to the Government and speak officially on the committee's twenty-ninth report, which is a very involved and important one. The committee's investigations have been going on for 10 months. I recommend that all members read particularly the foreword and, most importantly, the recommendations, of which there are 36.

I must admit that many years ago I, together with many others, thought that this aquaculture industry could be classed as a Cinderella industry. It is indeed a modern industry, and we have had many modern industries, such as Angora goats and emus, that have come and gone. All these industries have come in with a flourish but then waned. They have not failed but waned, whereas aquaculture has not done that: it has continued to grow.

The committee was instructed to examine the evidence and make recommendations on the economic, environmental and planning aspects of South Australia's current and potential aquaculture operations. As I have said, the inquiry was conducted over a period of 10 months, with a break in late 1997 for the election. At that time, there was a change-over of members, and the new members had to pick up these issues. They did that very well, and I commend them for that. I also commend the past members, including the Deputy Leader, Ms Hurley, and the previous member for Chaffey, Mr Andrew, and the Hon. Caroline Schaefer, for the work they did. There were 31 submissions, and 43 witnesses appeared before the committee during that period.

Aquaculture is a successful new industry for South Australia. In 1996, its value was approximately $93 million. It has the potential to become a significant economic contributor to the State if properly managed in a sustainable way. The conduct of this industry will be assisted by codes of practice and environmental management programs which will be put in place as soon as possible for all aquaculture sectors. Ongoing monitoring will also ensure the early recognition of possible problems, of which there have been plenty, many operators having burnt their fingers. As this is a new industry, many people went in blindly because there was no technology in place, whereas that is not the case today. Much is being done, but there is much more to be done and achieved.

The committee uncovered some dissatisfaction with aquaculture management plans and their deficiencies recently

became apparent. After time and effort were invested in setting up tuna farms in a designated zone near Kangaroo Island, the relevant authority did not grant permission for those farms. I was personally concerned about the decision by DAC to disallow an R&D lease by Raptis & Sons for at least one tuna farm in Backstairs Passage, because it was to be just that, an R&D lease, and I presume that if it was not successful it could have been withdrawn. However, that company was not given a chance to have a go.

I do not think that was fair. Raptis & Sons applied for three leases. I agree that one or perhaps two of those leases may have been acceptable, but certainly not the third one because it was situated about nine kilometres from land. In fact, it was probably situated closer to the Fleurieu Peninsula than to Kangaroo Island. I was concerned about that, but the problem was that this tuna farm was considered to be too close to the seal haul-out areas where seals come off the land and go fishing. Perhaps it was, but we will never know whether the seals, etc. would have been affected because Raptis & Sons were not given the chance.

I believe that this area may have been the most successful for tuna farming in the State because of the high tide movements and the speed of the tides and the high flushing movement. The problem with tuna farming at Port Lincoln has been the sediment under the cages. In this area, the rapid movement of the tide could have solved that problem. However, we will never know, because it was not approved by DAC. I question DAC's finding in this matter—it would stand some investigation as to why it ruled in this way.

I was concerned to hear in the past few days of Western Australia's interest in future involvement in tuna farming. I would say that they could be accused of poaching some of our industry technology, and we may lose some of our tuna to Western Australia because, as members know, there is a very strict quota on the amount of young tuna that can be put in a cage or the amount that can be fished. I do not want to see the hard earned technology that has been gathered together by our fishermen lost to Western Australia. I hope that the DAC decision will in no way cause any losses for South Australia. Certainly, it has not helped, and that concerns me. So, I have a little bit of angst about this.

Aquaculture management plans do not provide enough certainty for stakeholders. If the recommendations of this report are heeded, this situation should be much improved. There is a need for continued Government support of this industry. The committee notes that since the commencement of its inquiry the Government has increased its expenditure in the area of aquaculture by $5.2 million. I am very pleased about this. I referred to it in my original report, but I deleted that remark because it was seen to be political. However, I will say now with a fair bit of pride that $5.2 million has been allocated over a period of four years.

As time goes by and the economy improves, the Government will need to spend a lot more in this area because it will return the Government's investment many times over. Investment in this industry will probably provide the greatest return of any investment that we make. The announcement three or four weeks ago of the proposed investment of $5.2 million was greatly welcomed. As a parochial Chairman, I believe the committee has had as much to do with the decision making process of the Government as many of the recommendations that have already been adopted by the Government. I think the committee has worked well and deserves that kudos.

The committee believes that this report will assist and influence the allocation of these funds. It highlights the need for additional ongoing funding for this growing industry. This in depth inquiry has been so involved and so important that it has taken 10 months, during which time many problems have become apparent, as evidenced by the witnesses. As these problems have become obvious, the Government has acted upon them. So, I am pleased that the Government has been listening even before the report was tabled. I know that the Minister will comment at the end of this debate and I am sure he will refer to the work of this committee and to some of these findings which have been picked up already.

One of the most important issues uncovered by the inquiry was that of communication and information transfer. For the industry to continue to grow in South Australia adequate training courses must be readily available. The committee commends the efforts being made by the Cowell Area School. We visited the school, and it was fantastic to see the work being done by a secondary school in a remote area. In fact, the whole community seemed to revolve around that project and I hope that they go from success to success.

We also commend the efforts of Flinders University and TAFE to fill the need in the industry. The availability of Internet courses will greatly assist people in the more remote areas of the State to access information as they plan aquaculture projects. Another essential issue that must be addressed is the need for advice for new investors regarding suitable project sites, suitable species and access to research data. This is an important area because there is not much data available and, when it is, some people claim ownership to it and it is very difficult for the information to go from industry person to industry person.

In fact, on television on Sunday we saw how a Victorian person is farming Atlantic salmon, milting them for caviar and, of course, selling it for a huge price. It is great technology, but the owner thought he owned the technology and certainly was not about to tell anyone watching television about the process and how he conned the fish to believe they were in salt water so they would then let down the eggs. It is very clever technology, and I hope that this data does get into the wider area so our industries can use it to their advantage.

The committee is aware of the limited employment opportunities in the country and believes that the aquaculture industry offers hope to regional areas where it is creating local employment. In the 1996-97 financial year, there were over 550 jobs directly in aquaculture, and industry has created a further 900 jobs in other sectors of the State's economy. So, it is far from a Cinderella industry.

The committee took four regional site inspections to visit Eyre Peninsula, Yorke Peninsula, Kangaroo Island and the South-East of the State. We were well received, we were very impressed and it was most enjoyable to visit these areas. These site visits provided the committee with important insights into the industry and first-hand knowledge of the challenges faced by aquaculturalists.

The committee had the opportunity to view a wide range of species under aquaculture, including tuna, oysters, abalone, salmon, barramundi, trout, marron, yabbies, crabs and mussels. Some of these are marine based and others are farmed onshore. Tuna and oysters are the predominant species, but considerable research is being undertaken with species such as snapper, whiting and Nori, which is an edible seaweed.

The inquiry, which took many months, was extremely interesting and informative. I take this opportunity to thank

all those who contributed to the inquiry, especially those who spent time with us on the field inspections. I also thank all members of the committee, both before and after the election, the former members and the new. The current committee is comprised of members of the four political Parties and they have all worked very well to produce this report. To chair such a committee with four Party representatives, including two Party leaders, is a challenge but I commend the members for making it easy. In fact, it has been very cordial—the members get along very well—and I am privileged to be their Chair.

The committee has made 36 recommendations and looks forward to a positive response to them. I recommend the report not only to the Parliament but also to individual members. If members look on the second page, it includes a coloured photograph of the committee: in fact, it is above the Raptis lease in Backstairs Passage. Sir, there are quite a few stories being told about that photograph. It is interesting for one and all, it is a very detailed report, a challenge for the committee, and I hope the Government and members will see that they got value for money in this report. I wish to highly commend the two officers of the committee, our secretary, Mr Bill Sotiropoulos, and our research officer, Ms Heather Hill. I also commend the *Hansard* staff for their reporting of evidence that was often rapid fire and very technical. I commend the report for members to read, and I commend it to the House.

Ms KEY (Hanson): It gives me great pleasure to support the Chair of the Environment, Resources and Development Committee with the aquaculture report. As he has already mentioned, I joined the committee after the election and was privileged to be involved in, probably, two-thirds of the site inspections as well as receiving submissions from various witnesses.

I think most of the committee appreciated the time that was put in by the witnesses, who were many and varied, and sometimes we had controversial debate about various issues, particularly tuna and the effect of haul-out sites on proposed tuna areas. Personally, it was important to see young people in the community, especially in rural areas, have the opportunity to go through TAFE courses, other activities and job creation programs to get into this industry.

It was memorable going to Kangaroo Island and meeting the two young people who were running the marron farm. They got the idea from doing a TAFE pre-vocational course and studying to learn Japanese. As a result, they found that there was a possible overseas market for marron. That ended up being a positive story—

An honourable member interjecting:

Ms KEY: No, we were offered the opportunity to sex marron but we ran out of time: we will have to go back to learn that skill. If it is anything like chicken sexing, it should not take too long. The person running the Kangaroo Island concern has gone from being unemployed for a long period to running a profitable venture. He and his brother now have a large concern on Kangaroo Island. We also met some other young people who were working at Tickera. They not only were growing fish but also were into the artificial fish area which was quite interesting. It was a side line to aquaculture, in the food sense of the word, but it was interesting to see that there is a lot of opportunity in South Australia for not only job creation but also export opportunities that will be very valuable. The last point I would like to make is that—

Mr Lewis interjecting:

Ms KEY: No! The last point is in relation to the TAFE and business courses about which we received evidence. It is obviously important that people not only understand the science and farming to do with aquaculture but also look at the feed that could be grown and manufactured in South Australia. There are business opportunities in those areas, and TAFE is now gearing up to provide business advice, export advice, food handling advice and advice on other areas of business that people need to run a successful aquaculture venture. For me it was an important opportunity to see not only the running of aquaculture concerns but also the education sector, particularly TAFE, catering for students and, hopefully, setting them up to have long-term input into the aquaculture industry.

The committee members probably learnt a lot during this inquiry and, because of the generosity of the witnesses, the submissions and the site inspections, I think there is probably now at least six advocates for aquaculture as a result of this venture. I think that the interest will continue through the committee's activities this year. Our next project will look at inland fishing. I hope that some of the areas we have learned about from the aquaculture program, as well as our understanding of how the bureaucracy works in relation to this part of the fishing industry, will be useful to us in our next inquiry.

Mr LEWIS secured the adjournment of the debate.

ADJOURNMENT DEBATE

The Hon. D.C. KOTZ (Minister for Environment and Heritage): I move:

That the House do now adjourn.

Mr LEWIS (Hammond): The purpose of my remarks this evening is to draw attention to the recently successful trade mission to Korea which was led by the Deputy Premier.

An honourable member interjecting:

Mr LEWIS: Very well indeed. Let me explain to the honourable member why that is so. There are now probably more outstanding business opportunities in general in East Asia, and in Korea in particular, than has ever been the case at any time in terms of access to that market. Those outstanding opportunities are there because, sadly, the Korean economy is in difficulty. As it stands at present—because of those financial difficulties through fiscal mismanagement by Government and through deceitful reporting by the very large firms called chaebols—there are now a large number of small, medium and large firms which are in difficulty because banks have called up the loans that they have made to them in order that the banks in turn may meet their commitments.

Those firms are desperately looking for funds. Of course, they would prefer that they be loan funds; however, no such funds are available and, more particularly, anyone who has those funds knows that if they just wait a day or two they will not only be able to secure loans to that firm but will be able to buy equity in the firm, arrange a joint venture with the firm, or simply take it over. Right now in Korea, as the Deputy Premier, I and other people saw while we were there, the Taiwanese are out in strength and they are shopping. They are picking up some bargain basement prices on the firms that they are buying, because they know that the Korean economy will be in complete growth recovery by September next year.

Accordingly, the market demand which existed for those firms prior to October last year will have returned to the point

where there will be a huge increase in demand for the product compared with today's demand, and they will own that company, or a substantial share of its brand name, in that rapidly expanding market. Not only will they have that company's market share in Korea but they will also have much of the leading edge technology. It is all available at no premium for the simple asking, along with the equity in the firm that is being bought.

South Australians ought to match themselves immediately to companies which may even be larger than themselves in their historical marketing output during the past three years and see whether they can get into substantial share ownership, joint ventures or, better still, straight takeovers of those companies—the same as the Taiwanese are doing. Quite simply, the advantage to South Australia and to South Australian firms and their employees is that you can buy at these bargain basement prices and secure a huge increase in the market for your product. You may also buy new technology and, as a firm in South Australia, you are therefore able to put your firm's operations on the long-run cost-curve into a much larger scale of operation. As a result, you reduce the cost per unit output and enjoy the advantages in competition with your interstate or overseas competitors who export to this market so that you hold your market share here and grow.

That is what South Australia desperately needs after the financial crisis in the Australian economy of the 1980s which was brought about by a silly policy which enabled firms interstate to revalue their assets upwards on the then current market price for those assets and the assessed three year exponential market opportunity for their products. They were able to borrow money and very easily take over many conservatively-managed South Australian firms that were public companies not listed on the stock exchange. They simply stripped their assets, sold them off, sacked their work force and shifted the production into their interstate premises, mostly in Melbourne, Sydney, Brisbane and other places of that kind. We lost those head office operations, the management people at upper and middle management levels, and the jobs in production here in South Australia in consequence.

This is our big opportunity to get back into action again cheaply and quickly. The sooner we do it the better. It is not appropriate for us as a State to wait until the Korean economy, or indeed any of the other economies in East Asia, recovers. It is not appropriate to wait for a recovery. We need to get in there now, buy up those equities, take over those firms, get their market share and go with it—knowing that it will be all upwards and forwards in the future.

There is no underlying reason why Korea will not rapidly come out of its considerable difficulties now. It has higher levels of skills training than we in South Australia had 12 years ago. They have greater better trained pools of labour in their work force; they have better arrangements for the setting of costs of production, including the hiring of that labour; and they also have established markets that are much larger than ours. We could not wish for a better set up into which to move right now. I believe, as the Deputy Premier believes, that the time for firms to enter that market is now. We need to get in and take up the market opportunities and the expanded production opportunity now!

I refer to some of the things that we did while we were there. Not only did the Deputy Premier sign a memorandum of understanding which further advanced the agreement for cooperation for mutual benefits to be derived economically, socially and culturally between South Australia and the province of Chungchongnam-do, signed by Governor Sim and the Premier last November, but we also were able to assist a number of South Australian firms to make contact with prospective customers in that marketplace, including firms selling fodder, food stuffs, beverages and so on. I was able to explain to some of those people who came from South Australia the tremendous opportunities that are there in that regard. For instance, it is not sensible for us to attempt to sell against the French, South American, Californian and Washington State opposition in the bottled wine market.

We can beat them more easily by simply selling high quality pasteurised juice that has been crushed and put into clean container envelopes and do the final fermentation in Korea. We can then bottle that off, give a Korean company and a Korean brand name the label 'Produced in South Australia' and get the credit that way, because it means that we can come in under the prices which have to be asked by the French, Italian, North and South American producers of the competing product. We do not have to pay the cost of the glass, the cost of the freight on the glass or the cost on the cartons or anything else to get it over there. We can send it bulk, that is, cheaper and it means there is less value added in Australia but at least we have sold the bulk juice. We have found a market for it and it can be turned out in the form of product that they want. They can even blend it with some of their own production if they wish. That gives us the market edge. That is the way to go. The same thing applies with other things. We use a brand name and an established company with an established executive sales structure to penetrate that market more rapidly than any of our competitors. Certainly, I hope none of our competitors read these remarks in *Hansard* if they come from France, Italy, South or North America.

The other thing we did which I have suggested was to get the research officers from the agricultural research farm owned by the provincial government to come to South Australia after I got them interested in farming marron. They have a huge market. They do not have any natural crustacean which competes with it or which can be used as a substitute for it. Marron will grow quickly and are good converters of food. The end result will be that they will use the brood stock which we took—my wife, the research manager from that station and I—back to Korea.

That will start the industry and they will use that product to establish the markets correctly positioned in the market—at the top end of the market—and they will never be able to supply their own demand. The demand will be so great that it will give us a stable, continuous market to supply from our own marron farms here in South Australia, since they know that they can trust the fact that our stock is disease free and is also free of heavy metals and other pollutants. By that means we build goodwill and establish ourselves as more successful and able to supply than our competitors interstate and overseas for the same or similar species. Also, I want to acknowledge the gracious way in which our hosts looked after us and I pay tribute to the Deputy Premier for his work.

Mr CLARKE (Ross Smith): Before I draw the attention of the House to the principal reason for my contribution tonight, I recommend to the member for Gordon that, if he wants the Minister for Environment and Heritage to take notice of him, after her public rebuke of him in the House this evening, he has to show a bit of steel because, frankly, the Minister understands only a bit of cold steel because, in part, she is a Minister in this place only because of the support of the members for Gordon and MacKillop. There is little point

in the member for Gordon seeing the Deputy Premier and asking him to reprimand the Minister about her statement tonight. It is more fitting for the member for Gordon to show that bit of steel to the Minister by moving a motion of censure against the Minister so that she will take notice.

Not only will the Minister pay a great deal of attention to the member for Gordon in that situation but so will the entire Government. The member for Gordon should not play footsies with the Minister, because she understands only one type of language, that is, both barrels. If the member for Gordon does not wish to take that advice, so be it; it is up to him.

In any event, tonight I want to talk about banks, particularly the National Australia Bank. A week or 10 days ago I issued a press release in response to a constituent who spoke to me about the type of behaviour banks are engaging in, particularly now that there is talk of further interest rate rises for people with home mortgages who want to switch from variable to fixed rate interest. As to the National Australia Bank, from my investigations, particularly as a result of the publicity that my press release generated—plus a radio interview on radio 5AA—I find there is significant divergence of policies between different banks and it does pay to shop around. At the time my press release referred to this bank as just being one of the four major banks in Australia that was causing these problems. Unfortunately, I probably besmirched the reputation of other banks which, in a sense, are doing the right thing, and so it is only fair that I clear up the matter and name the individual bank concerned.

The National Australia Bank, when my constituent inquired about going from a variable to a fixed rate housing loan, said, 'Yes, you can do that. First, we want you to pay a $600 transfer fee to go from a variable to a fixed rate. You have to pay a $190 fee if you want to lock into the rate of 6.5 per cent at the very moment you sign the contract. There is a $5 monthly service fee and a $200 fee is payable if you want to pay back to the bank more than the minimum repayment.' I find that staggering. A few years ago, banks were going down on their bended knees urging us to repay our housing loans at a faster rate and they spent much money on advertising. However, with the National Australia Bank, if you want to repay your loan more quickly, every fortnight that you pay $1 more on your repayment, you pay a $200 penalty.

I find, after shopping around, that a number of other banks will allow people to repay up to $15 000 or $20 000 extra a year, if people are able to, without penalty. On top of that, one would have thought that, when you went into the bank and signed the contract at 6.5 per cent, paid the $600 transfer fee and the $5 monthly fee and were prepared to pay the $200 in addition each month if you repaid more than the required minimum, that was it, that would be the interest rate for, say, the next two years. But that is not the case with the National Australia Bank. The bank says, 'You signed on at 6.5 per cent at 9 a.m.', but the contract is put into a locked bag which is not opened again until 5 o'clock that same day, which is then transported upstairs (just a few flights above) overnight and which is opened in the morning, and the contract is processed. In the meantime, if interest rates go up—over night—you as the customer are locked into the higher rate unless you pay the $190 rate lock fee at the time you sign the contract.

Is there any wonder that banks in this community stink? They are avoiding community service obligations by closing many of their branches, particularly in country and low income areas where people primarily use banks to collect their pensions or pay cheques and withdraw all their money once a fortnight. They are not savings areas. People in areas like mine do not take out big business loans. The attitude of the big banks is that they do not want to know people like that and so they simply withdraw the services available. We then have a situation regarding the banks and I will be drawing this matter to the attention of the State Attorney-General so that he can look at consumer legislation and the actions of this bank because, frankly, there is a gap in our consumer protection

This is one of the problems that arise when we have national legislation. We have the banks covered by a Federal banking Act. We have national consumer laws, which are a template through each State and, if we want to change the law regarding banks, we have to get all six States plus the Commonwealth to agree, and it slows up the process of consumer protection. If there is a loophole, I would like the State Parliament to have the power to consider it, and I am researching this subject: we ought to act promptly and introduce legislation to prevent the tactics being brought in by the banks. As I said, not all banks carry on in the same way as the National Australia Bank. Indeed, I received a letter from Mr John Short, head of Government Relations, Westpac Banking Corporation, dated 23 June, in response to my media release: he states, in part:

> I am confident that Westpac's policy is fair and reasonable. However, it is my understanding that the practices adopted in this area vary widely within the banking industry which may have led to all banks being tarnished with the same brush. It would therefore be incorrect to include Westpac in any statement critical of the performance of the banking sector in relation to the issue covered in this letter. I would also note here that Westpac pulled out all stops to meet the surge in demand for fixed rate home loans earlier this month and ensure their speedy processing.

So, I excuse the Westpac Banking Corporation. I should have named the National Australia Bank at the time I put out my press release. There is nothing defamatory in what I said; indeed, here in front of me I have a copy of the contract, which the constituent gave me. The banks will turn around and say, 'Look at the way interest rates have been reduced over time. In theory, we hang onto the contract and may not process it for 24 hours and, if there is a change in rate, that is the new rate affecting the consumer. So, if the rate goes down, the consumer benefits.' Of course, we all know what the banks do when interest rates go down: they jack up the monthly service fees. We all know how the operations of many of the banks carried on when many of the private banks got into the same difficulty as did the State Bank of South Australia. Their shareholders did not bear the burden of the cost: their customers did. Interest rates were artificially kept higher than they otherwise would have been to help them recoup their lost profits, and in addition they started to bring in all sorts of additional charges on a monthly basis.

That brings me to another point in relation to banks. It is about time we had legislation—and, again, I am studying this subject myself—to cover the situation whereby, when you apply for a loan, the bank has to set out all the charges and fees exactly, but you have to be a mathematician to work out the effective interest rate to try to compare different banking institutions. They all ought to be reduced down to one effective interest rate so that, when the consumer shops around seeking to get the best price, they have an effective yardstick by which to measure each of the lending facilities and their effective interest rates. That is a matter which we also need to tackle in this State. Again, we will hear that there must be national legislation and that it must be done in all

States. I think it is about time South Australia again led the way in consumer protection, as it did during the Dunstan years.

Motion carried.

THOROUGHBRED RACING AUTHORITY

The Hon. G.A. INGERSON (Deputy Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. G.A. INGERSON: For the benefit of the House, I would like to put the whole issue that was raised by the Opposition today in relation to the racing industry into proper perspective. During Question Time today, questions were asked about the nature of conversations I had had with the then Chairman of SATRA, Mr Rob Hodge, in June and July of last year, and in the Estimates Committee questions were asked which I interpreted to be implying that I had exercised undue influence over the board of SATRA in relation to Mr Merv Hill, its then Chief Executive. In June and July of last year my relationship with Mr Hodge was amicable, although there were at times vigorous but not, I believe, acrimonious discussions. I conversed with him on a regular basis, sometimes twice a week. Late last year Mr Hodge was not renominated by the SAJC and consequently was not reappointed by the Government to the SATRA board. From that time our relationship has soured.

Around the time when Mr Hill, as the Chief Executive of the South Australian Jockey Club, transferred from the Jockey Club to SATRA, I would have had a number of conversations with Mr Hodge about the racing industry. Many people in the racing industry had expressed grave concern to me about Mr Hill's appointment as Chief Executive of SATRA, an appointment actually made by the board of SATRA over which I have no statutory or other influence. I remember conveying this information to Mr Hodge and indicating I could not understand why Mr Hill was being appointed as Chief Executive of SATRA in view of the widespread industry concern. When I answered 'No' to the question from the member for Hart in Estimates Committee A on what discussions I had had with anyone involved in SATRA, I interpreted that as seeking to imply that I had a direct involvement or influence over the appointment.

Members interjecting:

The Hon. G.A. INGERSON: I was naturally—

Members interjecting:

The Hon. G.A. INGERSON: I am saying—

An honourable member: Why don't you just own up?

The Hon. G.A. INGERSON: I am. I was naturally cautious about the twist that the member for Hart was seeking to put on events. I categorically deny that I ever exerted any pressure. It may be the result of general industry concern about Mr Hill's appointment that the SATRA board subsequently withdrew Mr Hill's three year contract after previously appointing him for a three year term. It must be remembered that there are five members on the SATRA board, all people experienced in the racing industry and business who would not in any event yield to pressure sought to be brought to bear by anyone. I had no intention of misleading the Estimates Committee or the House—

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Spence and the member for Stuart will come to order.

The Hon. G.A. INGERSON: I had no intention of misleading the Estimates Committee or the House and do not believe that I have done so. Politics being what it is, there are always one's opponents who seek to put the worst possible interpretation on what we may do or say and take part of what one says out of proper context. The written word cannot convey all in context, either. As I stated in my subsequent responses to the member for Hart's questions in Estimates Committee A, I had no statutory role in SATRA. I must make it clear that the answers to questions from the member for Hart in Estimates Committee A were all related to active involvement in the appointment and removal processes affecting SATRA's CEO and not to my general conversations I would have had with Mr Hodge on a regular basis. I intend to take the opportunity provided by the procedures relevant to the Estimates Committee to forward more information to the Chairman of Estimates Committee A to ensure that the answers are put into what I then and now believe to be their proper context.

Members interjecting:

The SPEAKER: Order!

ADJOURNMENT

At 8.47 p.m. the House adjourned until Thursday 2 July at 10.30 a.m.