# HOUSE OF ASSEMBLY

**Wednesday 22 July 1998**

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

## ASSENT TO BILLS

His Excellency the Governor's Deputy, by message, intimated the Governor's assent to the following Bills:

Irrigation (Dissolution of Trusts) Amendment,

Sea-Carriage Documents,

Technical and Further Education (Industrial Jurisdiction) Amendment.

## MEDLOW ROAD QUARRY SITE

A petition signed by 2 741 residents of South Australia requesting that the House urge the Government to oppose the establishment of a landfill at the quarry site at Medlow Road, Uleybury was presented by Ms Hurley.

Petition received.

## CRIMINAL LAW (SENTENCING) ACT

A petition signed by 6 062 residents of South Australia requesting that the House urge the Government to amend the Criminal Law (Sentencing) Act to take into account the safety of the community when sentencing convicted criminals and releasing persons under sentence of indeterminate duration was presented by Mr Meier.

Petition received.

## QUESTIONS

**The SPEAKER:** I direct that 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 117, 118, 131, 136, 149, 150, 152 and 155.

## PAPER TABLED

The following paper was laid on the table:

By the Minister for Industry, Trade and Tourism (Hon. G.A. Ingerson)—

Athletics Stadium, South Australian—Charter, 9 October 1997—30 June 1998.

## LEGISLATIVE REVIEW COMMITTEE

**Mr CONDOUS (Colton):** I bring up the fourteenth report the committee and move:

That the report be received and read.

Motion carried.

**Mr CONDOUS:** I bring up the fifteenth report of the committee and move:

That the report be received.

Motion carried.

**Mr CONDOUS:** In accordance with the preceding report, I advise that I no longer wish to proceed with Notice of Motion: Private Members Bills/Committees/Regulations No. 3 standing in my name for Thursday 23 July.

## INDUSTRY, TRADE AND TOURISM MINISTER: NO CONFIDENCE MOTION

**The Hon. M.D. RANN (Leader of the Opposition):** I move:

That Standing Orders be so far suspended as to enable me to move a motion without notice forthwith.

**The SPEAKER:** I have counted the House and, as there is an absolute majority of the whole number of the members of the House present, I accept the motion.

Motion carried.

**The Hon. R.G. KERIN (Deputy Premier):** I move:

That the time allotted for this motion be one hour.

Motion carried.

**The Hon. M.D. RANN (Leader of the Opposition):** I move:

That this House has lost confidence in the Minister for Industry, Trade and Tourism as a Minister of the Crown as it is of the view that in making statements to the parliamentary Estimates Committee on 18 June 1998 and then to this House on 1 July 1998, a statement which was subsequently found by the Privileges Committee to be deliberately misleading and not a matter of little consequence, the Minister was guilty of a grave contempt of this House, and, further, that this House now calls on the Minister to resign as a Minister of the Crown.

Yesterday the Privileges Committee, established by this House, passed the test of parliamentary propriety and parliamentary probity in handing down its historic judgment which found that the Minister for Industry and Racing deliberately misled this Parliament. Yesterday this Parliament, through a vote of this House, passed the test in unanimously adopting the Privileges Committee report which found that the Minister deliberately misled this House. No member of Parliament—not the Premier nor the Minister—voted to deny or defy the Privileges Committee ruling and censure of this Minister.

Yesterday, following that censure, the Opposition could have immediately moved a no-confidence motion given that Westminster precedents and the Premier's own ministerial code of conduct should necessitate that the Minister resign or be dismissed for the deliberate and wilful misleading of Parliament. But, following discussions with the Independents, the Opposition decided to hold off for 24 hours. We agreed that it was important to give the Premier and the Minister time to reflect and then to do the right thing. That is what we said yesterday.

We wanted to give the Premier time to consider whether he stood by his own code of conduct on ministerial accountability and responsibility, or whether he would re-write his own code of conduct so that Ministers would no longer be required to tell the truth in this Parliament. The Privileges Committee passed the test and Parliament passed the test, but so far we have seen no moral leadership from the Premier and no honourable resignation from this Minister. Neither the Premier nor the Minister has acted. It is now time for Parliament to act. Let us remember that the Privileges Committee itself found that the matter is 'most properly left to the jurisdiction of the House'. Yesterday during debate, the Premier said:

As Ministers, it is their duty to stay in touch with the chairmen of their independent boards and to have a full and frank, ongoing, two-way communication on any difficulties and controversies.

The Premier continued:

Of course, we would. To me, that is ministerial responsibility. It is not interference.

In making this statement, the Premier totally misses the point. No-one is arguing that Ministers cannot give their opinion or speak in a full, frank and proper way to the chairpersons of Government boards or even independent boards. But that is not the issue. The issue at stake is whether a Minister should then deliberately mislead the Parliament about his or her actions. If it was proper and appropriate for the Minister to phone Rob Hodge with his concerns, why did the Minister deny that he had done so, and then repeat that denial to Parliament? It is the integrity of the Premier's code of conduct, as well as the principles of the Westminster system, that are at stake today.

Let us all in this Parliament recognise what the Premier's own code of conduct actually says. It states:

> All Ministers will recognise that full and true disclosure and accountability to the Parliament are the cornerstones of the Westminster system which is the basis for government in South Australia today. The Westminster system requires the Executive Government of the State to be answerable to Parliament and through Parliament to the people. Being answerable to Parliament requires Ministers to ensure that they do not wilfully mislead the Parliament in respect of their ministerial responsibilities. The ultimate sanction for a Minister who so misleads is to resign or be dismissed.

They are the Premier's own words in his own code of conduct. Those are the rules that he lays down for his Ministers, but apparently not for his Deputy. Is that code of conduct to have a meaning or is it to be torn up by this Parliament voting in a partisan way today?

I agree with the member for Gordon in that it is time not only to raise but enforce parliamentary standards. The member for Gordon is right in saying that out in the community members of Parliament are not held in high regard and that our system of representative government requires that. I again quote directly from the member for Gordon, as follows:

> It is within that environment that we judge today a matter which I believe was a deliberate misleading of Parliament. . . That notwithstanding, I want this matter to be judged within the culture and environment of this place, and it is not a culture of which I am proud to be part.

Later he said:

> It is time to move on, to heal some wounds and to focus on our richly imagined future for this State.

I guess the question for the member for Gordon is whether or not he and all of us really want to raise parliamentary standards. One moment he deplores the parliamentary standards of the past but then wants this Minister's offence to be judged within the very culture that he says he despises. If the member for Gordon is serious and sincere in wanting to raise parliamentary standards, as I am sure he is, he should heed his own advice to the Premier last week and have the courage to take action now over the deliberate misleading of this Parliament, the most serious offence this Parliament has considered in over 130 years. This is his chance—in fact, our chance—to take a stand and make a difference to parliamentary standards. If he does not take action and we do move on, the culture he despises will not just continue but will deteriorate because this House, like the Premier, has failed to have the courage to act.

If the Independents and all members are serious about improving parliamentary standards, we cannot find this Minister guilty of misleading the House one day and then express confidence in the same Minister the following day. What message does that send to the community? That, even if you get caught, are tried and found guilty, you do not get punished. We are telling the people of South Australia that the Parliament, like the wider community, holds itself in such low esteem that it would take no action against a Minister who has been judged by his peers to have deliberately misled Parliament.

Since the committee's decision was handed down yesterday, the Premier has applied absolutely no penalty to the Minister. In fact, the Minister retains a senior position within the Cabinet. He retains his membership of Executive Council, which requires a special oath of office to the Governor. The Minister has lost nothing since the guilty verdict was handed down, yet the member for Gordon says he has been humiliated and the Premier says he has suffered enough. I assume this is a reference to his resigning the Deputy Premiership, which cost the Minister some $8 000 a year. His salary as Minister remains at $140 000 a year, excluding expense allowances, a chauffeur-driven car and other benefits. That is some punishment and humiliation! The public will see that the Minister is truly suffering from being found guilty by a privileges committee! I do not know what the public in Bragg would say about that punishment, but I know what the people of Salisbury would say: that it was a slap on the wrist and that he was given a bag of lollies.

Even more than punishing the Minister, this motion today is about preserving the privileges of Parliament. Members of Parliament enjoy parliamentary privilege as part of a covenant with the people we represent. Parliamentary privilege means that we can say what we know and believe to be true without fear or favour in order to further protect the interests of the community that we represent. It is the people who give us that right and award us this privilege, but if a member, let alone the second most senior Minister in Cabinet, rises in this House and says things he or she knows to be untrue, if they deliberately mislead the House, they breach that covenant with the people of South Australia.

Today the House must act to keep its part of the contract with the people of this State, as well as to defend its own privilege. If we are serious about restoring confidence in the standards of the Parliament, let us start today, but that requires leadership. Are we big enough collectively to meet the test? The member for Hammond yesterday best summed up the issues faced by this House when he said:

> Parliament must be able to rely upon the information which Ministers give it, otherwise how on earth can it function to get to the public the information the public is entitled to have?

If this were the House of Commons under Margaret Thatcher, John Major or Tony Blair, this Minister would have been gone weeks ago. If this were the House of Representatives in Canberra, even under John Howard, he would have been sacked weeks ago. But that requires leadership and we do not get leadership from this Premier, who needs to keep this Minister in place to retain his own leadership. He is totally bereft of any moral leadership—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.D. RANN:** —or any moral authority, and the reason he is now calling out and laughing about matters of parliamentary proprietary and accountability is that he does not have what the member for Gordon requested of him—the courage to do the right thing.

**The Hon. G.A. INGERSON (Minister for Industry, Trade and Tourism):** I find it very interesting that the Opposition has chosen to move this motion today. Members opposite claim that the matters raised in the report of the Privileges Committee were very important and warrant harsh

and prompt action, but yesterday this matter was obviously not urgent enough for them to move a no-confidence motion or any other form of penalty. They were clearly invited by the Speaker of this Parliament to raise any other motions relating to the Privileges Committee, and they chose not to do so.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. G.A. INGERSON:** Perhaps they considered that the matter was not so urgent after all. Perhaps they did not have the courage of their convictions. Or perhaps they thought that by raising it yesterday they would minimise their media exposure, and we all know 'Media Mike' would not like that. The fact that the Opposition did not raise any more issues—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. G.A. INGERSON:** —in relation to the Privileges Committee yesterday, yet made an about-face today and decided, having slept on it, that they wanted to try a no-confidence motion, highlights that this is nothing more than a political and media stunt. For all their chest beating, Opposition members are not interested in the due processes of this Parliament. They have demonstrated contempt for this place. They are only interested in dragging out this issue so they do not have to face the real issues, that is, solutions and lack of policy as it relates to our State.

It has been interesting to listen to talkback radio today and hear what the public is saying about this whole matter. The general view of the community is that I have made a mistake, which I have since corrected, and that we should now be getting on with the job. The member for Hart even acknowledged that on radio this morning. After several listeners had called, saying that Parliament should get on with the real issues, Mr Foley said, 'I am not sure whether joining you this morning is the right thing to be doing or not, given the tenor of some of the calls.'

*Members interjecting:*

**The SPEAKER:** Order! The Minister will be heard in silence.

**The Hon. G.A. INGERSON:** The member for Hart and the Opposition should be getting the message, but I will spell it out again. South Australians are sick of the sideshows, they are sick of the personal attacks and they are sick of the distractions of the Opposition. Unlike members opposite, they do not believe this is an issue that should be dominating the airwaves or the newspapers.

If the issue of my telephone conversation with Mr Hodge warranted dismissal from Parliament, why on earth is the Opposition Leader, who was among those who presided over the greatest economic disaster and dereliction of duty in this State, still sitting in this place and, indeed, at the head of the Opposition table? That is a very interesting question. As part of its desperate attempts to score political points, the Opposition is obviously doing all it can to cast aspersions on my integrity.

I am proud to have been elected as a member of this Parliament for more than 15 years, and members would be aware that I have always sought to do what is in the best interests of this State. I have worked closely with all members of both Houses of this Parliament to develop legislation which is making South Australia a better place in which to work and live. In recent weeks I have been subjected to some pretty vicious personal attack by members opposite, but we all know that that is the Labor way—attack the individuals to avoid scrutiny of Labor policies, because it has no plans and its lack of action speaks for itself.

*Members interjecting:*

**The SPEAKER:** Order! The Minister will resume his seat, and I am sorry to interrupt him. If members on my left and right wish to interrupt and distract this debate, I give them a general warning that they will be named. This is a very serious debate and I expect it to be conducted in silence. The honourable Minister.

**The Hon. G.A. INGERSON:** As a senior Minister in the Liberal Government, I have been responsible for a wide range of portfolios in the past five years. They have given me a significant degree of satisfaction and I have sought to work with others to assist industry, trade, racing, tourism, infrastructure and industrial relations in this State. I have worked closely with many members of this Parliament to help push through important reform in the industrial relations area, particularly in regard to WorkCover. I am proud to say that the unfunded liabilities have fallen from $276 million in 1995 to about $70 million today.

Let us put this whole issue into perspective. The Labor Opposition has cost this State billions of dollars, and many of those directly involved are still sitting in this Parliament. They are guilty of creating the largest single debt in its history, which resulted in loss of investment and thousands of jobs. I am part of a Government that has tried to fix up that mess and I am proud of my involvement.

Yesterday, the Leader of the Opposition tried to find parallels between this issue and a Cold War sex scandal. In the House of Commons on 22 March 1963, the British Minister for War, Mr Profumo, stood up—

*The Hon. M.D. Rann interjecting:*

**The SPEAKER:** Order! I warn the Leader of the Opposition for the last time.

**The Hon. G.A. INGERSON:** —and lied about his relationship with call girl Christine Keeler. I answered 'No' to a leading question about racing from the member for Hart in the Estimates Committee. I corrected this answer before the Privileges Committee met and have now apologised. The Profumo affair was international headline news, but to try to liken my situation to one where the British Minister for War had a sexual affair with a prostitute, who was involved with Russians, is desperate, even for an old journo like 'Media Mike'. What an absolutely ludicrous and desperate assertion.

Yesterday the member for Hart in this place made a comment in relation to the termination payments made to Mr Hill. I have a letter here from RIDA today which states that it authorised the termination payments. Allow me to quote from this letter:

> The termination payments for Mr. . . Hill were arrived at by the boards of the South Australian Jockey Club and the South Australian Thoroughbred Racing Authority respectfully, according to their contractual obligations.
>
> Requests were made to the Racing Industry Development Authority (RIDA) for reimbursement of those costs and, where applicable, RIDA concluded to make the reimbursements in line with its responsibility for downsizing and restructuring of the thoroughbred racing industry in this State. As these requests fell within RIDA's functions and powers they were not referred to you as the then Minister for Racing.
>
> The board of RIDA approved this reimbursement at its meeting of 24 March 1998 following receipt of an application from SATRA dated 17 February 1998.

Yesterday the member for Hart told this House that I authorised the payment. This is clearly not the case and I hope the member for Hart was not intending to deliberately mislead this House.

For the benefit of all those in the House, I again want to touch on the key points I made yesterday in relation to my telephone conversation with Mr Hodge. I have consistently maintained that my conversations did not affect the termination of Mr Hill. Indeed, in subsequent questions during the Estimates Committee I made it clear that it was not my role. Mr Hodge even admits that he did nothing about the views I passed on. In fact, he said absolutely, 'We did not.' It is clear from the sworn affidavit of Michael Birchall, the Chairman of the South Australian Jockey Club, that he terminated the contract without ever discussing it with me. The simple reality is that the SATRA board made a decision to employ Mr Hill and later changed its mind. As I told the House yesterday, it was certain inferences made by the member for Hart during the Estimates Committee which I was seeking to vigorously deny in my personal statement.

While I have attempted to put this matter into some perspective, I would like to make it clear to the House that I have not taken this issue lightly. I have resigned as Deputy Premier of this State. I respect this Parliament and the role played by the Privileges Committee. I have genuinely and sincerely sought to make amends for my mistake in relation to the answers I gave the Estimates Committee. I have apologised without reservation to those who believe I have deliberately misled the House and again would like to make it clear that it was never my intention to do so.

**Mr ATKINSON (Spence):** We live in an age of Executive dominance of the Parliament. What the Executive needs, it normally gets from the Parliament through Party Government. At the moment, parliamentary standards are being moulded to fit the daily necessities of the Executive in this State. For some reason, the Premier sees the Minister for Industry, Trade and Tourism as essential, indispensable to his Government, and therefore whatever offence the Minister has been found to have committed by a parliamentary committee, whatever Parliament thinks, he will be retained in that position. I am reminded of Prime Minister Ben Chifley's remark when he said that Rookwood was full of indispensables, Rookwood being the Sydney cemetery near Lidcombe.

The fact is that Liberal Government in this State can go on without the Minister for Industry, Trade and Tourism. If he is required to resign by a motion of no confidence, then Labor Government in this State is not one step closer. So all the Minister's remarks about the sins of previous Labor Governments and what a Labor Government would be like in this State are quite irrelevant. Liberal Government can go on without him, and members opposite would do well to remember that.

What we will decide today is a very important precedent for Parliaments to come. I must say as an Opposition spokesman with high hopes of my Party forming a Government after the next election, I suppose I should be relaxed about inheriting the kind of ministerial standards that Parliament will be endorsing today if we do not support the no confidence motion. The fact is that, despite what the Minister Industry, Trade and Tourism says, the John Profumo case is the standard. When he was found to have misled the House, he resigned from the House—not just from the ministry, he resigned from the House. We are not calling upon the Minister for Industry, Trade and Tourism to resign from the House, although I understand he may well do if deprived of his ministerial portfolio. We are merely asking that the House vote no confidence in him in accordance with all the precedents in this situation.

There is quite a similarity between the case of the Minister for Industry, Trade and Tourism and the Profumo case because, like Profumo, the Minister for Industry, Trade and Tourism, a *prima facie* case having emerged that he misled the House in answer to a parliamentary question, actually came into the House to seek the leave of the House to make a ministerial statement about the matter. Members will recall that, late one evening—I think after the adjournment motion had been passed (although I am not sure why he was given leave at that time, but he was)—the Minister came into the House and said:

> I categorically deny that I ever exerted any pressure.

The Privileges Committee—

*Members interjecting:*

**Mr ATKINSON:** Well, he said much else. But, so far as the Privileges Committee was concerned, that was the main thing the Minister said in that statement. The committee resolved, and I quote now from the committee's resolution given to the House by the member for Unley yesterday, as follows:

> The committee is of the view that the member for Bragg's categorical denial that he exerted any pressure on Mr Hodge was itself misleading. The majority believes it was deliberate.

We have a situation where a committee of the House has found that the Minister misled the House when answering a parliamentary question and then on another occasion sought leave of the House to make a ministerial statement explaining his answer to the question, and then further misled the House, compounding the offence. The committee found, by a majority, that that misleading on the first and the second occasion was deliberate. *House of Representatives Practice* has something quite pertinent to say about this particular situation, as follows:

> The circumstances surrounding the decision of the House of Commons in Profumo's case are of importance because of the guidance provided in cases of purported misrepresentation by members. Mr Profumo had sought the opportunity of making a personal statement to the House of Commons to deny the truth of allegations currently being made against him. Later, he was forced to admit that, in making his personal statement of denial to the House, he had deliberately misled the House. As a consequence of his actions, he resigned from the House, which subsequently agreed to a resolution declaring him guilty of a grave contempt.

*An honourable member interjecting:*

**Mr ATKINSON:** That is exactly the circumstances we have here. Snap!

*Members interjecting:*

**The SPEAKER:** Order!

**Mr ATKINSON:** This is a Minister who has taken the oath of allegiance, the oath of fidelity, the official oath—'that I will well and truly serve'. He is in breach of that oath and has been found to be in breach of that oath by the Privileges Committee. Let us deal with a few red herrings that have been drawn across the path by Government members. The Privileges Committee opinion on what punishment would be appropriate for the Minister is entirely gratuitous, because that is not what we in the House asked the committee to do: we asked it to prepare a report of its investigation. So, its plea for clemency for the Minister is entirely gratuitous. Secondly, the no confidence motion in John Cornwall in the Upper House has been cited as a precedent in favour of the Minister. That is completely irrelevant. As *House of Representatives Practice* says:

> Passage of a censure motion in the Senate would appear to have no substantive effect.

*The Hon. J.W. Olsen interjecting:*

**Mr ATKINSON:** Governments are formed in the Lower House; they are not formed in the Upper House. The Upper House, as it stands, does not have confidence in the Premier—

*The Hon. J.W. Olsen interjecting:*

**Mr ATKINSON:** Yes, that is right—does not have confidence in your Government now. But you are not going to resign.

*The Hon. J.W. Olsen interjecting:*

**The SPEAKER:** Order!

**Mr ATKINSON:** This is one of those situations in which we have a motion of no confidence in a Minister where the fact of deliberately misleading the House is no longer conjectural. It is not conjectural because the Privileges Committee has made a finding that has been adopted by the House, and the fact that the consequences are serious is not conjectural either: that has been found by a committee of the House. If we do not now fulfil the legitimate public expectation that Parliament uphold its traditional standards by voting no confidence in a Minister who has been formally found to have deliberately misled the House, not once but twice, today is just one more example of politicians rewriting the rules to suit themselves.

**The Hon. J.W. OLSEN (Premier):** In my time in this House I have heard a number of debates on motions of either censure or no confidence. The argument so far on this motion would have to be the weakest I have heard presented in this Parliament. It comes back to this point: yesterday, Mr Speaker, after lengthy debate of an hour and a half or two hours, you stood and asked this House if there were any further motions that any member wished to move in relation to the privilege matter. The Opposition did not take up offer. The offer was very specific, and I quote:

> Are there any further motions that any member wishes to move in relation to the privilege matter?

That was the invitation by the Speaker following the motion. The Opposition did not accept the offer, nor did any other member. We had the report, we had the debate, we had the offer, and nothing further: no action. The Opposition did not take it any further because it was chasing a few more political points to score: that is what the exercise is about. If ever there was evidence of political opportunism, it has been demonstrated in the past 24 hours.

Yesterday, I gave notice that today I would introduce three Bills—three Bills which are among the most significant pieces of legislation which this Parliament will debate. The three Bills are the next building blocks in terms of the strategy to rebuild this State's economy: they are part of the process of our getting out of Labor's debt. Their passage into legislation will ensure no future punt on the sovereign guarantee of this State by a State playing in the national markets, playing with big time traders, in a competitive or deregulated market. That is what this Parliament should be debating today. Instead, what are we doing? How are we discharging our responsibilities to taxpayers and electors? Once again, we are hard at work, arguing who said what to whom, when, how and why.

The Privileges Committee reported yesterday. We acknowledged that: we accepted that. The Minister has apologised to this House. The Minister has resigned the Deputy Premier's position. In his speech, the Leader constantly referred to the Minister for Industry, Trade and Tourism as the Deputy Premier. He resigned that position two weeks ago as a result of this incident. That is a penalty, a high penalty, for the mistake that has been made, which the Minister has clearly acknowledged. The Leader said in the House yesterday that the people of South Australia want a Government that puts our State, not its Party, first. The Opposition is not prepared to practise what it preaches.

The Government is getting on with governing, and one example of that is in relation to the Adelaide-Darwin rail link, a most important issue that has hit a snag in the course of the past few days. It is an issue that should have bipartisan support. Last Friday, I sought from the Prime Minister a commitment for legislation. The Federal Labor Party has said that it will not support the legislation in August; it will put at risk the Adelaide-Darwin rail link. For 88 years we have been wanting to go. The Federal Opposition spokesman said that it was not needed. The simple fact is that legislation is needed—not native title, Aboriginal land rights legislation—and without that going through in August it will permanently derail the Adelaide-Darwin rail link.

Senator Quirke was here last night. Did the Leader of the Opposition spend any time with Senator Quirke asking or cajoling our Federal senators to vote for the legislation in August to ensure that the Adelaide-Darwin rail link goes ahead? I bet he did not. Instead, he would have been bunkered in that office on the second floor concerned with political tactics that create maximum political mayhem, rather than looking at the introduction of legislation in this State's interests to protect the long-term interests of South Australia. That is what the debate ought to be about.

Let me go straight to the issue. The Privileges Committee has delivered its verdict, and the Minister has admitted making a mistake and has apologised. And he has paid a penalty: he is no longer the Deputy Premier—as the Leader said, the second most senior position in this State. He resigned the position, he stepped down: that is a significant penalty. In addition, we have taken away the racing responsibilities—the very portfolio under which this matter comes. The portfolio is no longer with the Minister. It appears that the Minister is being condemned for having a combative character and a tendency to say what he thinks when talking to chairmen of statutory authorities under his control. So what? It is a pity that the Leader did not do likewise when he was in the Cabinet—have a few robust conversations with a few members of the board of the State Bank. That would have been in the interests of South Australia. But that was not his style.

We are talking about a telephone call which had no impact, result or abuse of process—and that has been acknowledged. We are talking about an industry which recognises that the Minister has done a good job. We are talking about an error of judgment, which has been acknowledged and dealt with. Regardless of what opinions hold sway, the Minister has suffered significant penalty.

The Leader of the Opposition quoted from the code of conduct, and the honourable member who has just resumed his seat referred to ministerial responsibilities. The code states that the ultimate sanction for a Minister who wilfully misleads is to resign or be dismissed. The Minister denies that he has wilfully misled this Parliament. However, the Minister, on his own initiative, resigned the position of Deputy Premier of South Australia, the second most senior position in this Government, and he has been stripped of the racing responsibilities. What more do you want?

Let us turn to recent similar events in political history, since the Leader and other speakers have quoted them, because one thing you will see is that this Government has taken action, whereas the former Labor Government did nothing. We have heard about practice and precedents: let us have some. We talk about benchmarks and standards. Look at the action the Liberal Government has taken compared to the Labor Party's rhetoric. They stand to be condemned as hypocrites. Yesterday, the Leader of the Opposition made great play of comparing this to the infamous Profumo affair. Really—a telephone call compared to national security! For goodness sake, let us get real about the implications of this. Let me quote as follows:

> They have come into this place not with new economic policies or commentaries on other events of the day—but in fact getting back to pure politics.

Does that sound familiar? It was John Bannon in this House in 1984, after the Upper House had successfully passed a motion of no confidence in Dr Cornwall. What did the Labor Government do? It did nothing. Dr Cornwall had a no confidence motion passed by a House of Parliament, yet the Labor Administration of the day did nothing.

As to the honourable member who said, 'Well, the Upper House Ministers had different standards to the Lower House Ministers,' that is arrant nonsense. You are a Minister, you are a Minister, you are a Minister—in the Upper House or the Lower House. The same standard applies in both Houses. Let us move one step further and have a look at former Tourism Minister, Barbara Wiese. An independent inquiry, headed by Mr Worthington QC, found that Ms Wiese had three conflicts of interest relating to ministerial duties, and there is no more grave offence than ministerial conflict in discharging your ministerial duties. That Minister had three. Did she resign as a result of the findings? No. Did the Premier of the day take any action? No. At that time Premier Bannon said:

> If the honourable member wants blood, he has had a bit and that ought to satisfy him.

That is what former Premier John Bannon said in that instance. What we have from the Labor Party is distinct bias. The Labor Party has one rule for itself and one rule for everybody else in this Chamber, and that is its track record. The Leader referred to precedence in the House of Representatives and elsewhere, so I will give the House some examples. The Australian Senate has censured Labor Ministers and the former Prime Minister Paul Keating on a number of occasions. In 1994 Senator McMullan and Minister Brereton were censured. In 1995 the Senate twice censured Senator Evans for misleading. Did he resign? No.

Did any of the people I have mentioned take any action? No. More recently we have seen Senator Bolkus censured by Canberra's Upper House. Was any action taken on that occasion? No, is the answer. There is a stark contrast in performance, action and rhetoric from the Labor Party in this instance compared with the actions that this Liberal Government has taken. Finding number 14 of the Privileges Committee determined that the matter is most properly left to the jurisdiction of the House. The majority of that committee believed that this matter did not warrant the most severe penalty. That is finding number 14 of the Privileges Committee.

I suggest that most South Australians would say that the punishment more than fits the crime and that enough is enough. At the end of the day we must apply in this instance a good, fair and decent Australian go. The public might also ask us to get back to work in the interests of South Australians. The position is that the Minister has admitted his mistake; the Minister has corrected the record; the Minister has apologised to the House; the Minister has incurred severe penalty; the Minister has resigned as Deputy Premier of South Australia; and the Minister has lost his racing portfolio. We respect the Privileges Committee's rulings and accept its majority findings, but we say 'enough'. The punishment fits the crime; now let us get back to work.

**Mr FOLEY (Hart):** We need not be here today debating the future of the Minister for Industry. If the Premier had the ability, the strength of character and the leadership to dismiss this Minister yesterday, this matter would not need to be debated today. Yesterday when we debated the report of the Privileges Committee we said that we would urge the Premier to take decisive action. He chose not to. In discussions it was certainly the view of the Independents that time should be given to the Premier to consider the position of the former Deputy Premier, the Minister for Industry. The Premier chose not to do that, and here we are today debating again the future of the member for Bragg, which has become an all too recurring theme.

I point members to a little history because this is something that happens with regular monotony. I cast back to 5 December 1996 when the member for Bragg, the then Minister for Tourism, was forced to apologise to this House over the appointment of his former Chief of Staff, Ms Anne Ruston, as head of the Tourism and Wine Council. In the *Hansard* of that date Mr Ingerson said:

> I accept that, if my answer led anyone to believe that I was denying I ever had such a conversation, it may have been construed as misleading. I repeat my assurance to the House that I did not intentionally seek to mislead it. . . If my answer had that effect, I sincerely and unreservedly apologise to the House.

That was apology number one of 5 December 1996. On 26 February 1998, in relation to the now infamous issue concerning the $97 million write-down for ETSA, the member for Bragg explained how he first learnt of that write-down. Before the then Deputy Premier was called upon to give an explanation you, Sir, said:

> However, because of the inconsistency I believe that an explanation should be provided by the Minister and that he certainly should be given the opportunity to make an explanation to the House to clarify these matters of inconsistency.

The then Deputy Premier said:

> I apologise to the House for my comments that may have caused any of this concern to the House.

That was apology number two in February this year. A few months later, during an Economic and Finance Committee hearing on the very same matter, we discovered that the then Deputy Premier had been made aware of the $97 million write-down by the State's Under Treasurer through receipt of board papers and minutes. Indeed, he had a draft copy of the annual report approximately two months earlier and, because of other circumstances, narrowly avoided another no-confidence motion in this House. It has happened time and again.

This Minister, by his own admission, has been found guilty of misleading the Parliament. He has been found guilty by the Privileges Committee of this Parliament of deliberately misleading the Parliament. That misleading was found to be deliberate, but remember: this Premier makes much of this Minister's coming into this House and correcting the statement he made. I ask members to remember just when he

corrected that statement. He corrected it after he was caught out. That statement laid on the record of this Parliament for nearly three weeks. It was only when I delivered to this Parliament a statutory declaration of a former vice-president of the Liberal Party that the Minister was forced to finally acknowledge that he had made an error.

This Minister stands condemned. He deserves no longer to serve as a Minister of Cabinet. The Premier should immediately move to dismiss the Minister, the member for Bragg. The Premier's failure to do that again shows that we have no leadership in this State. The Premier has no strength, and again Parliament and its processes are brought into disrepute because, yet again, we have found the Minister, the member for Bragg, guilty of misleading the Parliament, and that that misleading was deliberate.

**Mrs MAYWALD (Chaffey):** We have been asked today to consider and determine an unprecedented question: whether the Parliament does or does not have confidence in the member for Bragg (who is also a senior Minister of the Government and a Cabinet member) in consequence of a finding by the Privileges Committee that he deliberately misled this House. I must say that I heard with dismay yesterday the contribution of the Leader of the Opposition who has, for his own good reasons, decided to characterise Parliament's deliberations yesterday and today in respect of this matter as a 'test', to use his own words, of Parliament and the Premier.

I say to the Leader of the Opposition: this is no test. He can choose to see it as nothing more than an opportunity to score a political goal, but I assure the Leader of the Opposition that, for those of us who are faced with assessing the findings that have been put before us and making a decision in respect of this matter, there is much more involved and at stake than a game of political one-upmanship. The Privileges Committee has found that the Minister deliberately misled this House and that the initial misleading was aggravated. The significance of that finding is that the Minister has been found to be in contempt of Parliament.

The Chairman of the Privileges Committee has stated that the majority of the committee believes that this finding does not warrant the most severe penalty which, as admitted by the Premier, can include gaoling, suspension and expulsion of the Minister, as mentioned in the committee's report. That leaves Parliament with the question of whether the Minister can continue to command the confidence of this House. In considering this matter I have taken into account the many contributions made by members of this place in debating the report of the Privileges Committee. Some of those contributions referred to the nature and extent of the Minister's misleading of the House.

Are we asking the questions: is some deception by a Minister acceptable?, or, how much deception by a Minister is acceptable? We must be able to have full confidence in those entrusted with senior ministerial positions who have the responsibility for major decisions and commitments on behalf of all South Australians. In considering this matter I have also taken into account the culture of unaccountability about which my colleague the member for Gordon mentioned yesterday. He pointed out numerous instances and examples of misleading statements, omissions, recklessness and wilful blindness on the part of various Ministers, including this Minister, at different times.

I am sure that many other examples could be found in the pages of *Hansard*. Together they are nothing less than an indictment of the manner in which the concept of ministerial and parliamentary responsibility has been dismissed and undermined by successive Governments in this State.

We have a choice today. We can accept the view that the culture of politics in South Australia is a world apart from society's normal and reasonable standards and expectations in respect of its elected representatives and political leaders. On this basis we can take the view that the Minister is to be judged according to standards said to be prevailing within the culture and environment of this great institution to which the people of Chaffey have elected me as their representative.

Or we can say that enough is enough. We can conclude that a Minister who has been found to have deliberately misled the House in a manner which has been found to constitute a contempt of Parliament can no longer command the confidence of the Parliament. In taking this stand, Parliament is, in the only credible way possible, announcing that it expects and demands of Government Ministers standards and conduct of a higher level than that which regrettably must now be seen to be prevailing.

In conclusion, like the member for Gordon, I want today to be a watershed. I cannot hide behind Party lines. Past poor parliamentary performance in relation to prior censure and no-confidence motions in my view do not justify this behaviour. I do not want today to be a sad compromise that does nothing more than confirm the public perception that there is no responsibility of honesty in this Parliament.

**Mr CONLON (Elder):** Before I launch into this painful issue, I must do the courtesy of recognising the presence earlier in the gallery of the Federal member for Sturt who, no doubt, along with Vickie Chapman, has a very keen interest in this issue.

**The SPEAKER:** Order! It is not customary to acknowledge anybody in the gallery.

**Mr CONLON:** I was only trying to be polite. Many members have already spoken about the standards in this place. It is notable in this debate that what the Premier will not speak about are the standards. In his own defence the member for Bragg reminds me of the title of a novel by Gitta Spenny about Albert Speer, entitled *Albert Speer: His Struggle with Truth*. Yesterday the member for Bragg sat quietly while the House adopted the findings of the Privileges Committee that he intentionally misled the House. He sat there and voted for it while it was carried unanimously.

What do we have in the continuing struggle with truth? We have him saying, 'It was not intentional.' It is not open for him to say that any longer. The House has made its finding. He was in the House and agreed with it. It is part of his ongoing struggle with truth that he cannot accept it. I will say no more about the standards except this: no-one in this Parliament or in the community believes that a Minister of the Crown can come into this House on a matter of moment, intentionally mislead it and get away with it.

I understand from the member for Gordon's comments in the media that a tawdry compromise has been reached in this matter. I take umbridge at some of the comments of the member for Gordon in the past two days. He came—or slid—into this place talking about the standards that he is so disgusted with, the standards that he thinks have been appalling in this place for so long, the standards that would see Ministers get away with this sort of behaviour. So, what will the member for Gordon do about the standards in this place at the first opportunity? It is entirely in his hands. His vote today will be the author of certain standards in this place,

and what will he do? Will he raise them or will he go for the tawdry compromise and lower them? Unfortunately, I believe that I know the answer.

If the member for Gordon wants to come into this place and say, 'This is all part of the standards', let me say in my defence that I do not agree with him. I may not be the snappiest dresser in the House, my jokes may fall short of the mark sometimes and, God forbid, I may not even be as clever as I make myself out to be, but I am not a liar, and the member for Bragg is a liar.

*Members interjecting:*

**The SPEAKER:** Order! That is unparliamentary. I ask the member to withdraw that remark.

**Mr CONLON:** I understand that, if I do not withdraw that remark, you will name me, Mr Speaker, and I will be removed from the House. On the basis that my penalty would therefore be more than the penalty this Minister faces for misleading the House, I unconditionally withdraw. I will say, however, that the Oxford Dictionary definition of 'lie' is 'an intentional false statement'. I can say that I have made no intentional false statements to this House but, on the finding of this House yesterday, the member for Bragg made an intentional false statement to this House, that is, he told a lie. That is the standard we are dealing with here. Whether or not it is acceptable, it is very straight forward.

For all the guff and all the talk about workers compensation and the State Bank, the question is a very narrow issue. Is it acceptable for a Minister of the Crown to tell a lie to the House? If it is, if that is the message we are taking out of this Parliament to the people of South Australia today, this Parliament is diminished.

In conclusion, I offer the Premier some advice. It was once said by a very wise politician, one whom I respect: never cuddle a mug; he will die in your arms. Let me tell the Premier: this mug has expired. He has passed away. He is deceased. He is an ex-mug, and it is time for you to get rid of him.

**Mr WILLIAMS (MacKillop):** I will not take much of the time of the House, but I remind the House that, in the prayers we say in this place each day, we ask that we 'represent the true welfare of the people of this State'. Today the Leader of the Opposition quoted the member for Gordon, and a lot of members have chosen to speak on the contribution made by the member for Gordon yesterday when he called for higher standards. It is worthwhile that we remember that. I will have more to say about the Leader in a moment.

In spite of the contribution of the member for Spence today and the references to the Profumo case in the early 1960s in England, it is my belief, based on the fact that politics is more about perception than it is about facts and reality, and particularly the way politics is played in this Chamber and other Parliaments around the world, that the Profumo case has been brought into this debate to bring it down to another level of tawdriness that does none of us any good. It is trying to drag this down to create the perception which belies the facts of the matter in this case.

Yesterday, this House adopted a report of the Privileges Committee with respect to the matter before us. I may be repeating what has already been said by several speakers, but I point out that the committee found 'that the majority believe that this was not a matter of little consequence.' It did not say it was a matter of large consequence, but it did say it was not a matter of little consequence. It went on to say:

> The committee believes the matter is most properly left to the jurisdiction of the House.

I want the House to reflect on both of those quotes as I proceed. The second comment suggests that the committee has left it to this House, if it so desires, to take further action.

This House is given the opportunity today to either support this motion or to spurn it. I do not believe that the penalty incorporated in this motion in fact reflects the crime committed. Indeed, I think the penalty that this motion suggests exceeds what is indeed a minor infraction. If my memory serves me, Thomas More in *Utopia*, in a dissertation on crime and punishment, said that the ultimate punishment must be reserved for the ultimate crime and, whenever anybody is dispensing punishment, they must meter the amount of punishment to fit the crime. You must reserve the ultimate punishment for the ultimate crime. If you do not do that, what do you do with a greater crime?

Members here today have two choices. Either we go for a way over the top punishment by supporting the motion or we ignore the situation and walk away. We have adopted the report, but the report suggests that the House may wish to take some further action. Some further action is necessary, but the motion as put is way over the top. Having said all that, I move several amendments to the motion, as follows:

> Leave out 'has lost confidence in' and insert 'censures'; leave out 'grave'; and leave out all words after 'House' third occurring.

**The Hon. R.G. KERIN (Deputy Premier):** In the short time available to me I will address the no-confidence motion. As the member for MacKillop has just said, it is very important. With the finding of the Privileges Committee, despite what the member for Spence has said, yesterday we accepted that what Minister Ingerson had done was at the bottom of the scale. Many people are saying that Minister Ingerson has not paid a penalty. If members had seen, in the past few weeks, what the Minister and his family have been put through because of what has basically been a political exercise, they would understand that he has paid an enormous penalty. In the hurly-burly of politics we sometimes forget that Minister Ingerson and his family are real people, a real family, and that must be well and truly acknowledged.

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. R.G. KERIN:** It is ironic that some would have this Parliament hang, mainly out of political malice, a major contributor because of a small mistake, and that is not what the people of South Australia are looking for. Let us contrast what the member for Bragg has done with what we saw between 1989 and 1993. Citizens, others who came into this House and I who wanted to see us get back to the real affairs of State were appalled by the disastrous mistakes that left this State in an absolutely desperate position. What did we get for that? We have not even heard a 'sorry'. Members opposite expect to hang Minister Ingerson for a small 'who said what when'—

*Members interjecting:*

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

**The Hon. R.G. KERIN:** —when we cannot even get a 'sorry' out of members opposite for the position in which they put the State. As the Privileges Committee found, the Minister did something at the bottom of the scale and members opposite expect to hang him for that. That is not what the people out there want. It is totally inconsistent, it is hypocrisy, it is a deliberate abrogation of the responsibility of members opposite and it is an insult to the intelligence of

South Australians. It is absolutely vital that we strongly oppose the motion.

I am sure that many members in this House feel that this is a waste of time. We have absolutely abrogated our responsibility. Minister Ingerson has paid one hell of a penalty. Anyone close to him knows that. Members opposite are trying to distract us from what we are supposed to be doing in South Australia.

**The SPEAKER:** Order! The debate is now complete.

The House divided on the amendments:

AYES (3)

| | |
|---|---|
| Lewis, I. P. | McEwen, R. J. |
| Williams, M. R. (teller) | |

NOES (41)

| | |
|---|---|
| Armitage, M. H. | Atkinson, M. J. |
| Bedford, F. E. | Breuer, L. R. |
| Brindal, M. K. | Brokenshire, R. L. |
| Brown, D. C. | Buckby, M. R. |
| Ciccarello, V. | Clarke, R. D. |
| Condous, S. G. | Conlon, P. F. |
| De Laine, M. R. (teller) | Evans, I. F. |
| Foley, K. O. | Geraghty, R. K. |
| Gunn, G. M. | Hall, J. L. |
| Hanna, K. | Hill, J. D. |
| Hurley, A. K. | Ingerson, G. A. |
| Kerin, R. G. | Key, S. W. |
| Kotz, D. C. | Matthew, W. A. |
| Maywald, K. A. | Meier, E. J. |
| Olsen, J. W. | Penfold, E. M. |
| Rankine, J. M. | Rann, M. D. |
| Scalzi, G. | Snelling, J. J. |
| Stevens, L. | Such, R. B. |
| Thompson, M. G. | Venning, I. H. |
| White, P. L. | Wotton, D. C. |
| Wright, M. J. | |

Majority of 38 for the Noes.

Amendments thus negatived.

The House divided on the motion:

AYES (22)

| | |
|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O. |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. |
| Key, S. W. | Lewis, I. P. |
| Maywald, K. | Rankine, J. M. |
| Rann, M. D. (teller) | Snelling, J. J. |
| Stevens, L. | Thompson, M. G. |
| White, P. L. | Wright, M. J. |

NOES (22)

| | |
|---|---|
| Armitage, M. H. | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Condous, S. G. |
| Evans, I. F. | Gunn, G. M. |
| Hall, J. L. | Ingerson, G. A. |
| Kerin, R. G. | Kotz, D. C. |
| Matthew, W. A. | McEwen, R. J. |
| Meier, E. J. (teller) | Olsen, J. W. |
| Penfold, E. M. | Scalzi, G. |
| Such, R. B. | Venning, I. H. |
| Williams, M. R. | Wotton, D. C. |

PAIR

| | |
|---|---|
| Koutsantonis, T. | Hamilton-Smith, M. L. |

**The SPEAKER:** Order! There being 22 'Ayes' and 22 'Noes', the Constitution allows me to give a casting vote. Before I do, I will just make a couple of remarks. When I suggested to the House that it consider a Privileges Committee, the course of events that flowed from that were correct. The sequence of events usually follows, though, that the Privileges Committee hands down some sort of recommendation to the House. In this particular case, the Privileges Committee chose not to do that, rather leaving it to members themselves to deliberate and make the decision. It gave some guidance in that it requested that, in setting a penalty, it be on the lower end of the scale.

The House should always have regard to the traditions of Parliament in relation to ministerial accountability. I heard in the debate references to the Profumo affair and quotes from Erskine May, which set extremely high standards. The standards in Erskine May and the House of Commons are at the top of the extreme but they have to be taken into account. It is the Chair's view, and on this occasion I concur with the member for MacKillop, that some form of censure was warranted, but certainly not to the extent of a vote of no confidence being carried by the House. On that basis, I am prepared to cast my vote with the 'Noes', and therefore the motion is negatived.

Motion thus negatived.

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## GRIEVANCE DEBATE

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

**Mr WRIGHT (Lee):** I should like to make a few comments about the propriety of Parliament, and that is something that a lot of people have spoken about over the last couple of days. Significant contributions have been made by members on both sides of the House and we should all be mindful of them. I make my comments as a new member of Parliament and as a member who is still learning the ropes, and I do so within that framework and with some respect with regard to that.

Coming into this House, all of us would have had an ambition to uphold the proprieties of the House, and the framework that we need to work in is one that involves respect and trust. I believe that we have done ourselves no justice over the last couple of days in the way in which we have gone about our business. I took particular note yesterday of some of the comments made by the member for Gordon, because we must take very seriously some of his comments about the proprieties of the Parliament, the way that people will judge us out in the community, the respect that we have and how we are regarded.

If we are to be taken seriously and held in high regard, all of us have to treat the Parliament with the respect that it deserves, and obviously we have to follow some of the conventions of the Parliament and observe propriety in that respect. If we as individuals and collectively are not able to uphold that, we are certainly in a very serious and difficult situation. I am in no doubt, as with many other members I suspect, that in the community at the moment we are regarded on a very low level. We are held in particularly low esteem which saddens and disappoints me greatly. If we are to turn

that situation around, we have to be answerable to the community. We have to ensure that the respect of the Parliament and the trust that we have as members of Parliament is demonstrated and proven to the broader community.

If we are not able to do that, if we are not able to demonstrate that to the broader community, how can we, on the other hand, expect that we will lift the standard of this Parliament and lift the reputation members of Parliament need and deserve to have if we are to be significant players in the community? In cases such as that concerning the debate that has been going on for the past couple of days, undoubtedly a degree of political emphasis will always be involved: that is understandable and will always be par for the course. That is the environment in which we live. For the member of Gordon, on the one hand, to comment as he did yesterday on the reputation we have, the standards of this Parliament and the low esteem in which we are held within the community because of the ethos and the behaviour that we as individuals and collectively as a Parliament are demonstrating, and then, on the other hand, not to follow that through with regard to this debate before the Parliament, shows a very strong inconsistency, in my opinion.

This debate is not about whether a penance has been paid or whether the Minister has given up his role as Deputy Premier and has been removed from the racing portfolio: it is not about that at all. What this debate is all about is ministerial propriety. One of the conventions that exists in the Westminster system and one of the conventions by which we are judged in the community is that, if the Parliament is misled by a Minister of the Parliament, the honourable thing for that Minister to do is resign. That is the honourable action that should have taken place on this occasion.

**The SPEAKER:** Order! The honourable member will resume his seat. I draw the honourable member's attention to Standing Order 119, which states:

> Reflections upon votes of the House
>
> A member may not reflect upon a vote of the House except for the purpose of moving that the vote be rescinded.

That question was put and decided yesterday, and it is a reflection now to go back and revisit that particular vote. The honourable member cannot discuss that subject during this grievance debate.

**Mr WRIGHT:** Thank you very much, Sir; I appreciate your guidance and I will certainly take that into account.

**The SPEAKER:** The honourable member's time has now expired. The member for Schubert.

**Mr VENNING (Schubert):** Today I inform the House of a great news story for South Australia.

*Mr Clarke interjecting:*

**The SPEAKER:** Order! The member for Ross Smith will come to order.

**Mr VENNING:** The Premier announced on Monday that major earth works have started on the site for the new Barossa All Seasons Premier Resort, a project which is to be completed by July 1999. This project has been mooted for 10 years and at last it has taken a Liberal Government to bring it to fruition. It was first mooted under the previous Labor Government but it stalled and nothing ever happened. After 10 years—and eight years since I have been the member—it is now happening. The project is to cost $28 million, with the Government contributing $2.6 million. Mr Howard Young of Kinsmen Pty Ltd, the developers of this project, stated that it would not have gone ahead without the cooperation of the Government.

This four star resort is to be located at the junction of Jacobs Creek and the North Para River, that is, near Rowland Flat. It is architecturally designed to fit in with the ambience of the surrounding environment. And what a magnificent environment that is—a picturesque tree lined valley with a beautiful creek setting. It will consist of 116 single room studio apartments and 24 two room apartments, convention facilities totalling 408 square metres in area, restaurants, tennis courts, swimming pool and a health club. It will be integrated with the 18-hole Tanunda golf course, which will be upgraded to championship standards. This development will take the Barossa to the next level in tourist accommodation. It will make a significant difference in being able to attract new tourism business to the Barossa, both international and interstate, particularly from Sydney and Melbourne.

The development will attract those higher income earning holiday seekers who prefer four to five star resort style facilities, and it will have a positive impact on the convention conference market. Most people who attend conventions like to stay together and close to the convention venue—and this site certainly has it all. Today I have spoken to Mr Barry Salter, the General Manager of the Barossa Wine and Tourism Association, whose enthusiasm for this development matched mine. He is to travel to North America to attend 'Austalk', which is a major Australian tourism promotion, and will conduct 140 separate interviews promoting the Barossa. He says he can now aggressively target the North American market, along with the traditional United Kingdom and European markets.

This development, along with the very pleasing initiatives taking place at the Chateau Tanunda site, as well as the new Bluebird rail service to the Barossa, only goes towards further enhancing the region as one of the premier tourist spots (if not the premier tourist spot) in the State. Chateau Tanunda and its developer, Mr John Geber, need to be congratulated, because we will have a world class tourist accommodation centre there. And, of course, there is also Mr Barry Martin's Bluebird railcar service—what a fantastic foresight this man has. I believe it has been very successful, and I will make another speech on that matter at a later stage. I congratulate all those involved: the original Tanunda District Council, particularly its Mayor at the time, Mayor Robert Homburg, who first took me to the site some four years ago; the District Council of Kapunda-Light and CEO Geof Sheridan, the current Barossa council and the Mayor, Brian Hurn; the Barossa Regional Development Authority and its CEO, Mr Brian Sincock; the Barossa Wine and Tourism Association and Mr Barry Salter, whom I have mentioned; the member for Light (Hon. Malcolm Buckby), who represented the area before me and who is still helping me to bring this to fruition; and the Government and Minister Ingerson who has made many efforts and had many successes in the Barossa.

This all means three things—more tourists in the State, more dollars spent in the State and more jobs for South Australians. It is all about confidence—confidence by the developers, confidence in the region and confidence in South Australia. I am positive that this confidence is totally warranted. There is a need for development such as this and I would encourage other similar ventures in this region, because certainly we need beds and this is indeed our premier tourism region. This development will be Barossa proud—*Ein Prosit*!

**Ms HURLEY (Deputy Leader of the Opposition):** I wish to continue the remarks I began yesterday regarding the proposed Medlow Road landfill at Smithfield. Today I tabled a petition containing 2 741 signatures in opposition to that landfill. There were another 141 petitions which were not in a form suitable for tabling and another 133 petitions from children from the local primary school. I have previously tabled petitions on this topic which illustrate the strong opposition to this landfill in my area. The organisers of the petition tell me that they have nearly 5 000 signatories, and that is a remarkable effort over the years of opposition.

There has been consistent opposition to this landfill since it was initially proposed, and then the supplementary EIS reignited the debate. The residents—and in particular the neighbours—will continue to oppose that landfill, and even if it receives approval from the Minister for Planning—and I do not expect it will—those residents will continue to oppose it. They will be well organised and well supported, and I will continue to support that group of people in their opposition to this landfill.

The local council, the Playford council, which is part of the Northern Adelaide Waste Management Authority (NAWMA), is in favour of the landfill on the basis that it is concerned about the lack of availability of landfill space once Wingfield is closed down. However, I hope that that attitude changes as more suitable landfill sites are found. I certainly hope that the Government will be a little more proactive in discovering suitable sites for landfills in the northern area so that landfills such as the one proposed at Medlow Road will not eventuate. Everyone in the area is sensitive to the accusations that this is purely a 'not in my backyard' syndrome. We have thought long and hard about this, and we are confident that this landfill is in the wrong place; indeed, it transgresses a number of the provisions contained in the draft guidelines concerning landfills. These interim guidelines have been interim for many years now, and I certainly hope and expect that they will be firm guidelines in future. However, I hope in the meantime that the Environment Protection Authority will abide by those interim guidelines and find against siting this landfill at its proposed site.

Residents and other experts in the area have expressed concerns about the project's siting in the hills face zone, involving ground water contamination and its proximity to residential areas. These are the major areas where the landfill does not fit the interim criteria for landfills endorsed by the Environment Protection Authority and also by a standing committee of this Parliament, the Environment, Resources and Development Committee. It will be unfortunate if this landfill is allowed to proceed, because we will see a strong fight against it by the residents, and I would not like to see a repeat of the Highbury landfill fight, because it would take up so much time and commitment by residents. I am confident that they will give that time and commitment, but it is very much a waste of energy and effort when the guidelines have already been set down and should not be transgressed. I certainly hope that, before we get to the stage where the fate of this landfill will be decided, one or two other landfills will be identified in the northern suburbs that fit the interim criteria for landfill sites.

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

**The Hon. G.M. GUNN (Stuart):** It is not often that South Australia makes it into the *London Times*.

*An honourable member interjecting:*

**The Hon. G.M. GUNN:** I am about to tell you; obviously, you are not well informed. In recent times there has been great public comment and interest expressed in the media regarding the depiction of an Aboriginal person in the Marree area in my constituency. A number of my constituents have expressed pleasure at the great tourism potential that has been created and at the number of people coming to that small locality following the discovery of this interesting feature. I was aware that the BBC Television people had shown some interest in this matter, so yesterday I decided to look in the *London Times*. To my pleasant surprise I found an article of 16 July 1998 (page 17) headed, 'Outback police suspect 2½ mile man has tall story'. It was quite an extensive article, and it certainly puts Marree on the map.

I raise this matter, because in all the time I have been in this Parliament this is one of the few occasions on which Australia, let alone South Australia, has been mentioned in the *London Times.* Whoever was responsible for this development obviously has attracted more attention than they ever suspected would be the case, and I sincerely hope that that attention will be to the benefit of my constituents, particularly those involved in the tourist industry. I personally cannot see that whoever was responsible has done a great deal of harm. They obviously had a great deal of skill, and they certainly knew what they were doing. The only thing that surprises me is that up to this stage no-one has owned up and said that they observed the operation taking place. Given the size and magnitude of it, it is surprising that someone did not see some activity at the site.

I am pleased to say that this matter has attracted favourable comment in the overseas media, and I hope it leads to a large number of people from the United Kingdom and Europe coming to South Australia to create employment opportunities for our citizens. The tourist industry is particularly important not only in my electorate but in South Australia generally. My electorate provides a great deal of interest for the tourism industry, and I will be interested in the near future to have a look from the air to see exactly what has taken—

*Ms Key interjecting:*

**The Hon. G.M. GUNN:** I will make that judgment any time; I do not need to be told by the honourable member. This development has created opportunities that will benefit people in my electorate, particularly those people in the Aboriginal community who are involved in the tourism industry. One of the great tragedies there is that the two Aboriginal communities cannot reach agreement. The honourable member's previous Minister did nothing to assist in relation to resolving that matter. If you want to debate that matter, I am happy to do so at any time. We know that Reg Dodge is one of your mates and one of your Labor Party stooges: that is a well known fact.

The people of South Australia expect that the members of this House and the Parliament in general will have a close look at where we are taking South Australia with regard to the standards we are setting and what our role as members of Parliament should be. When I came into this Parliament many years ago, there were certain conventions. Unfortunately, those conventions appear to mean very little. Members of Parliament are more interested in attracting attention to themselves. On many occasions, that attention seeking does nothing to improve the welfare of the people of this State. We must look at our role and the responsibilities that go with it. The media have responsibilities in relation to what they report, but unfortunately there is a tendency to highlight trivia, nonsense and things that have no relationship to

improving the opportunities or the welfare of the people of this State. We should be making decisions to improve the welfare of the people of South Australia and not trying to gain publicity for ourselves at the expense of our constituents.

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

**Ms WHITE (Taylor):** I want to make a brief comment on a matter of some importance, but I doubt that I will need the full time allotted to me to do so. We have been hearing quite a lot about standards in the press, and we have been talking about them recently in Parliament. Telephone calls to my office in the past day or so have concentrated very much on the topic of standards of Parliament and of Government.

I want to draw the attention of members of this House to something that happened in December 1996 and some setting of standards that happened at that time. I refer to a question that was asked in Parliament on Wednesday 4 December 1996, which was, I believe, about a week after our current Premier was installed as Premier and the former Deputy Premier became Deputy Premier of the State. I want to remind members of what was said at that time. It was a question from me to Premier Olsen, and the Premier, by his answer, set a standard for his Government and for the way in which he was to lead this Parliament. I refer to *Hansard* of 4 December 1996, as follows:

> Ms White: Does the Premier intend to rely on the code of conduct for Ministers set down by his predecessor and published in the 1994 Department of Premier and Cabinet handbook and, if so, will he apply it or will his Government operate by other standards? The code of conduct promulgated by former Premier Brown states: 'All Ministers will recognise that full and true disclosure and accountability to the Parliament are the cornerstones of the Westminster system, which is the basis for government in South Australia today. The Westminster system requires the Executive Government of the State to be answerable to Parliament and, through Parliament, to the people. Being answerable to Parliament requires Ministers to ensure that they do not wilfully mislead the Parliament in respect of their ministerial responsibilities. The ultimate sanction for a Minister who so misleads is to resign.'
>
> The Hon. J W Olsen: To the first question, 'Yes.'

The answer is quite unequivocal: yes, he did apply those standards set by the former Premier; yes, he would apply those standards. That is not what has occurred. We have a Minister who has been found to have wilfully misled the Parliament and he has not resigned, nor has he been sacked.

I do not wish the House to interpret my comments as an allegation that the Premier has misled this House, but it is true to say that perhaps the more correct answer to my question of 4 December 1996 would have been 'No.' If that is not the case, if the Premier's information to the Parliament is incorrect, perhaps he should come into this Parliament and apologise and correct his response—and, to use the parlance of the Premier, his mistake—and the Parliament can take such action. So, I request all members to consider what was said, the standard that was set at that time, the Premier's unequivocal response to my question about standards in Parliament and the Ministers' code of conduct, and to reflect on recent events, because exactly the opposite has been the practice of this Parliament.

**Mr MEIER (Goyder):** Most members would be aware that last week was National Palliative Care Awareness Week, which went from 12 July to 18 July. I was very pleased to be guest speaker at two different locations last week to help promote National Palliative Care Awareness Week and to seek to assist in educating people on what palliative care is. That is one of the big questions: what does palliative care mean? 'Palliative' comes from the word 'palliate', and that means (according to the dictionary definition) 'alleviate without curing, or relieve without curing'. So, to palliate means to seek to comfort someone in the knowledge that one will not be able to cure them, and that is where the definition of palliative care comes from.

Palliative care is something that our society is seeing more and more of as the years go by. I believe it was very appropriate that South Australia suggested the idea of a Palliative Care Awareness Week, and the Commonwealth Government then took up the concept of making it National Palliative Care Awareness Week, and I wish to compliment our Government in that respect. Having just given the definition, it is interesting to note that statistics show that two-thirds of the community do not know what palliative care is. So, I would say to members of this House that we need to continue our education program to ensure that more and more people know what palliative care is.

I will give members the statistics to show how important palliative care is. This week, some 40 people in South Australia who received and benefited from palliative care will die. When looked at over a year, some 2 000 persons receive palliative care in the final stages of life. So, palliative care is a holistic approach, focusing on the patient's quality of life, easing pain and suffering, helping them to maintain peace and dignity as death approaches and also supporting family and friends.

Members of this House who have been here for some years are well aware of the debates that we had in earlier times relating to the Consent to Medical Treatment and Palliative Care Act 1995. The former member for Coles (Hon. Jennifer Cashmore) was one of the key people who wanted to see the Palliative Care Act brought into the Parliament, and again we were leaders in the nation in seeking to legislate for palliative care. Likewise, South Australia has been a leader in the world, from the point of view that South Australia created the first chair of palliative care at Flinders University in 1988. In fact, the Palliative Care Council of South Australia is leading the way in so much of the work that it is doing.

Various reports have been written on palliative care. The latest one is entitled 'Strategic plan for palliative care services 1998-2006,' which was put out under the auspices of the Department of Human Services in South Australia. That identifies the fact that the need for palliative care services will increase significantly in the coming years—and, in fact, in my own region of Wakefield it is anticipated that there will be a 24 per cent increase. It is something that all members of this House need to be mindful of, and I would hope that we all seek to do our part in promoting palliative care. I congratulate the many people who are involved in palliative care assistance to so many of our fellow citizens.

## MEMBER FOR WAITE

**Mr MEIER (Goyder):** I seek leave to make a personal explanation.

Leave granted.

**Mr MEIER:** Earlier today the House voted on a censure motion, and prior to that censure motion an agreement had

been made between the Opposition Whip and me, as the Government Whip, that there was to be a pair for Mr Koutsantonis. I was under the impression that the Opposition and the Government would be on opposing sides on that vote and, as a result, I asked the member for Waite to leave the Chamber so that we honoured our pair agreement. Subsequent to that, I determined that both the Opposition and the Government were in opposition to that censure motion. However, it was too late for me to recall the member for Waite to the House to vote in his own right. I wish to inform the House that the member for Waite was absent from the House on my instructions as Whip. It was an error on my part. The member for Waite should have been in the House and I acknowledge my mistake.

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## INDEPENDENT INDUSTRY REGULATOR BILL

**The Hon. J.W. OLSEN (Premier)** obtained leave and introduced a Bill for an Act to establish the South Australian Independent Regulator; and for other purposes. Read a first time.

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

*That this Bill be now read a second time.*

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

Leave granted.

The South Australian Independent Industry Regulator Bill 1998 establishes an Independent Regulator which will regulate the South Australian electricity supply industry. The Independent Regulator is established as a body corporate and is to be constituted of a person appointed by the Governor.

The Independent Regulator is one of the cornerstones of the proposed reform and privatisation of the South Australian electricity supply industry and is required for South Australia to participate in the National Electricity Market.

The Electricity Act 1996 established a pricing regulator and a technical regulator, neither of whom was independent of Government. The pricing regulator's functions are limited to network prices, while the technical regulator has a wide jurisdiction which includes the issuing of licences and the enforcement of technical and safety requirements.

For the purpose of the National Electricity Market, it will be necessary for each participating jurisdiction to have an Independent (economic) Regulator (described in the National Electricity Code as a jurisdictional regulator). The Independent Regulator will have responsibility for distribution network pricing and, in the initial stage of the National Electricity Market, transmission network pricing. In addition, the Independent Regulator will also have responsibility for State based issues, including retail pricing for non-contestable customers (that is, customers who do not have the right to choose their retailer under the Government's contestability timetable), licensing of industry participants and monitoring of service standards.

The legislation establishing the Independent Regulator sets out its functions and the powers that it may exercise in performing those functions. The functions of the Independent Regulator will comprise a combination of the functions currently assigned to the technical regulator and the pricing regulator by the existing Electricity Act, together with a number of additional functions that are not currently addressed in the Act.

The key functions of the Independent Regulator are as follows.

The Independent Regulator will regulate retail pricing to non-contestable customers until 1 January 2003, distribution network pricing and (prior to the Australian Competition and Consumer Commission assuming responsibility) transmission network pricing. The purpose of the restructuring and sale process is to create a fully competitive market for electricity – with resulting downward pressure on prices. It is, however, accepted that certain electricity services will have 'monopoly' elements. One of the important functions of the Independent Regulator is therefore to regulate prices charged in relation to those 'monopoly' components – namely, transmission and distribution.

The Independent Regulator's powers in respect of pricing will be subject to an electricity pricing order to be issued by the Government to provide certainty for buyers and consumers in the transition to a privatised industry. The electricity pricing order will regulate the price of network services and the prices paid for electricity by non-contestable customers. It will also implement certain price-related policies.

Fairness for the country is a feature of the Government's pricing arrangements. The Electricity Act will require the Independent Regulator, in making price-related determinations that apply to the electricity industry, to have regard to the principle that there should be no difference in prices for network services between 'on-grid' small customers in metropolitan areas and 'on-grid' small customers in non-metropolitan areas.

The Independent Regulator will monitor and enforce compliance with minimum standards of service. This function will involve liaising with the Electricity Industry Ombudsman. The Ombudsman scheme is itself an important feature of the restructured electricity industry. It will be established and operated by industry, but in a form approved by the Independent Regulator. The first Ombudsman will be appointed on the recommendation of the Minister. The Ombudsman's functions could include investigating and facilitating the resolution of complaints and dealing with disconnection and security of deposit claims.

The Independent Regulator will be responsible for issuing licences to participants in the South Australian electricity supply industry and monitoring and enforcing the conditions imposed on those licensees by their licences. The licence conditions will include requirements to comply with service standards set out in codes developed by the Industry Regulator. The Regulator is required to keep such codes under review so as to ensure their continued relevance and effectiveness.

The Independent Regulator will also be responsible for monitoring and enforcing the 'ringfencing' arrangements between the 'stapled' distribution and retail businesses. Ringfencing is an important requirement of the restructured electricity industry. ETSA's distribution and retail businesses will be offered for sale together (ie. 'stapled'). However, these businesses will be conducted by separate companies, albeit under a common holding company. To ensure competition, the distribution and retail businesses are being 'ringfenced'—that is, they will have separate accounting and information systems and will be precluded from cross-subsidising each other.

In exercising its powers and carrying out its functions, the Independent Regulator will be obliged to have regard to the need to:

- promote competitive and fair market conduct;
- prevent the misuse of monopoly or market power;
- facilitate entry into relevant markets;
- promote economic efficiency;
- ensure consumers benefit from competition and efficiency;
- protect the interests of consumers with respect to reliability, quality and safety of services and supply; and
- facilitate the maintenance of the financial viability of the industry.

It is important for the Independent Regulator to be, and to be seen to be, independent from the Government. Industry participants will want an independent regulator to ensure that their economic well-being is not subject to day to day political issues which may affect Government decision making. Consumers will want an independent regulator to protect their interests through monitoring and (if appropriate) regulating the behaviour of industry participants once the Government ceases to have control of the industry.

This Bill addresses the independence of the Independent Regulator by providing that:

- the Independent Regulator is not to be subject to Ministerial direction in the performance of its functions;
- the Independent Regulator is to be appointed for a fixed term of five years and the terms and conditions of that appointment must not be varied during that time so as to become less favourable to the Independent Regulator; and
- apart from certain very limited circumstances, the Independent Regulator can only be removed from office by an order of the Supreme Court made on the application of the Minister.

The Independent Regulator will be funded out of consolidated revenue. However, provision is made for the annual licence fees paid by electricity industry participants to be set having regard to the costs of the Independent Regulator.

In addition, to ensure that the Independent Regulator is, and is seen to be, an effective regulator, the Independent Regulator has been given the power to make orders requiring compliance with its pricing determinations and to suspend or cancel the licence of an electricity industry participant where that participant is in breach of its licence conditions. The Independent Regulator also has the power, in certain circumstances, to appoint an operator to the business of a licensee.

Provision is made for decisions of the Independent Regulator to be reviewed by the Regulator at the request of an affected person and then to be appealed to the Administrative and Disciplinary Division of the District Court.

Finally, there is also scope for the Independent Regulator to regulate industries other than the electricity supply industry, particularly the converging utility industries, if Parliament wishes it to do so in the future.

I commend the Independent Industry Regulator Bill 1998 to honourable members.

Explanation of Clauses

*PART 1 PRELIMINARY*

*Clause 1: Short title*

*Clause 2: Commencement*

These clauses are formal.

*Clause 3: Interpretation*

This clause contains definitions for the purposes of the measure. The measure relies on other Acts declaring particular industries to be regulated industries for the purposes of the measure. The proposed amendments to the *Electricity Act 1996* include a declaration of the electricity supply industry as a regulated industry.

*PART 2 SOUTH AUSTRALIAN INDEPENDENT INDUSTRY REGULATOR*

*Clause 4: Industry Regulator*

This clause establishes the Industry Regulator as a body corporate and provides that the body has all the powers of a natural person.

*Clause 5: Functions*

This clause sets out the functions of the Industry Regulator as follows:

- to regulate prices and perform licensing functions under relevant industry regulation Acts;
- to monitor and enforce compliance with and promote improvement in standards and conditions of service and supply under relevant industry regulation Acts;
- to make, monitor the operation of, and review from time to time, codes and rules relating to the conduct or operations of a regulated industry or licensed entities;
- to provide and require consumer consultation processes in regulated industries and to assist consumers and others with information and other services;
- to advise the Minister on any matter referred by the Minister;
- to administer the measure;
- to perform any other function assigned by or under this measure or any other Act.

The clause also sets out general factors that the Industry Regulator must have regard to, namely, the need—

- to promote competitive and fair market conduct;
- to prevent misuse of monopoly or market power;
- to facilitate entry into relevant markets;
- to promote economic efficiency;
- to ensure consumers benefit from competition and efficiency;
- to protect the interests of consumers with respect to reliability, quality and safety of services and supply in regulated industries;
- to facilitate maintenance of the financial viability of regulated industries.

*Clause 6: Industry Regulator may publish statements, reports and guidelines*

This clause contemplates statements, reports and guidelines being published by the Industry Regulator relating to the functions of the Industry Regulator.

*Clause 7: Independence*

This clause provides that the Industry Regulator is not subject to Ministerial direction.

*Clause 8: Industry Regulator's appointment, removal, etc.*

The Governor is to appoint a person (with knowledge of or experience in one or more of the fields of industry, commerce, economics, law or public administration) to constitute the Industry Regulator. Provision is made for the office to become vacant in certain circumstances including if the Industry Regulator is convicted of an indictable offence or sentenced to imprisonment or becomes bankrupt.

The clause provides a mechanism for removal of the Industry Regulator from office by order of the Supreme Court made on the application of the Minister. The order may be made on the basis of misconduct, incapacity to perform satisfactorily the Industry Regulator's functions or material contravention of or failure to comply with the requirements of this or any other Act. Provision is also made for suspension of the Industry Regulator from office by the Supreme Court pending determination of an application for removal.

*Clause 9: Minister to act in office of Industry Regulator pending first appointment*

Until an Industry Regulator is first appointed under the measure, this clause contemplates the Minister acting in the office.

*Clause 10: Associate Industry Regulators*

This clause empowers the Minister to appoint and remove Associate Industry Regulators. The requirements as to qualifications are the same as for the Industry Regulator.

*Clause 11: Staff*

This clause provides that the staff may comprise—

- persons employed in the Public Service of the State and assigned to assist the Industry Regulator;
- persons appointed by the Industry Regulator on terms and conditions determined by the Industry Regulator.

*Clause 12: Consultants*

This clause contemplates the Industry Regulator engaging consultants.

*Clause 13: Advisory committees*

This clause contemplates the Industry Regulator establishing advisory committees.

*Clause 14: Delegation*

This clause provides for delegation of functions and powers of the Industry Regulator.

*Clause 15: Acting Industry Regulator*

Under this clause the Governor may appoint an Acting Industry Regulator to act in the office for up to 6 months while the Industry Regulator is unable to perform official functions or the office is vacant or to act in the office in relation to a matter for which the Industry Regulator is disqualified.

*Clause 16: Conflict of interest*

This clause contains provisions relating to the declaration of interests that may lead to conflict by the Industry Regulator, an Acting Industry Regulator or a delegate and the resolution of potential conflicts of interest.

*Clause 17: Application of money received by Industry Regulator*

Licence fees and any other fees collected by the Industry Regulator are to be paid into the Consolidated Account unless the Treasurer directs otherwise.

*Clause 18: Budget*

This clause requires the Industry Regulator to prepare and submit a budget to the Minister containing information required by the Minister.

*Clause 19: Accounts and audit*

This clause requires the Industry Regulator to keep proper accounting records and provides for auditing by the Auditor-General.

*PART 3 PRICE REGULATION*

*Clause 20: Price regulation*

This clause sets out the basis on which the Industry Regulator may make a pricing determination in a regulated industry and contemplates determinations—

- fixing a price or the rate of increase or decrease in a price;
- fixing a maximum price or maximum rate of increase or minimum rate of decrease in a maximum price;
- fixing an average price for specified goods or services or an average rate of increase or decrease in an average price;
- specifying pricing policies or principles;
- specifying an amount determined by reference to a general price index, the cost of production, a rate of return on assets employed or any other specified factor;
- specifying an amount determined by reference to quantity, location, period or other specified factor relevant to the supply of goods or services;
- fixing a maximum revenue, or maximum rate of increase or minimum rate of decrease in maximum revenue, in relation to specified goods or services.

The clause specifically recognises that a price range may be fixed in any case.

Special factors are set out that must be considered in relation to a pricing determination as follows:

- the costs of making, producing or supplying the goods or services;
- the costs of complying with laws or regulatory requirements;
- the return on assets in the regulated industry;
- any relevant interstate and international benchmarks for prices, costs and return on assets in comparable industries;
- the financial implications of the determination;
- any factors specified by a relevant industry regulation Act or by regulation under this measure;
- any other factors that the Industry Regulator considers relevant.

*Clause 21: Making and effect of determinations*

This clause sets out procedural requirements relating to determinations and ensures their publication. It also requires licensed entities in a regulated industry to comply with applicable provisions of a determination.

*Clause 22: Enforcement of determinations*

This clause empowers the Industry Regulator to issue provisional or final orders to require compliance with a determination or to accept undertakings about compliance.

If a person profits from contravention of such an order or undertaking, the clause provides for the Industry Regulator to recover from the person an amount equal to the profit.

*PART 4 INDUSTRY CODES AND RULES*

*Clause 23: Codes and rules*

Part of the new scheme in the electricity supply industry is for conditions of licence for electricity entities to require compliance with codes or rules made under this Part.

This clause provides for procedural matters and for publication of codes and rules made by the Industry Regulator.

In addition, the Industry Regulator is required to review the codes and rules in order to keep them up to date.

*PART 5 COLLECTION AND USE OF INFORMATION*

*Clause 24: Industry Regulator's power to require information*

This clause contains a broad power for the Industry Regulator to require a person to provide information in the person's possession to the Regulator where that is reasonably required for the performance of functions. Privilege against self incrimination may be claimed. Provisions for review and appeal in relation to a requirement for information under this clause are included in the next Part.

*Clause 25: Obligation to preserve confidentiality*

A person performing a function under the measure is required to keep commercially sensitive information confidential, subject to certain specified exceptions.

However, a mechanism is put in place to enable the Industry Regulator to disclose confidential information if of the opinion that the public benefit in making the disclosure outweighs any detriment that might be suffered by a person in consequence of the disclosure. If a person has claimed confidentiality, notice must be given before such disclosure by the Industry Regulator. Provision is made in the next Part for review and appeal in relation to a decision of the Industry Regulator under this clause.

*PART 6 REVIEWS AND APPEALS*

*Clause 26: Review by Industry Regulator*

This clause provides for—

- review of a pricing determination of the Industry Regulator on application of the Minister or a licensed entity to which the determination applies;
- review of a requirement made by the Industry Regulator to provide information on application by the person of whom the requirement is made;
- review of a decision of the Industry Regulator to disclose information claimed to be confidential on the application of the person given notice of the proposed disclosure.

The application for review must be made within 10 working days and the Industry Regulator is required to make a decision on the review within 6 weeks.

In the case of an application for review of a pricing determination, notice of the application (inviting submissions and joinder in the review) must be given to all persons who could also have applied for review of the determination.

Procedural provisions are included in relation to a stay of a determination or decision and, in the case of a determination, publication of the stay.

After considering the application, the Regulator may confirm, vary or substitute the determination or decision. Variation or substitution of a determination is to be achieved by further determination so as to require notification to affected parties, publication in the *Gazette*, etc.

*Clause 27: Appeal*

An appeal may be made against the Industry Regulator's decision on a review by the applicant for review or any other party to the review who made submissions on the review.

The appeal is to the Administrative and Disciplinary Division of the District Court sitting with experts as set out in the Schedule.

An appeal must be made within 10 working days.

Procedural provisions are included in relation to a stay of a determination and publication of the stay.

The Court may only consider the information on which the Industry Regulator based the determination or decision that was the subject of the review and any information put before the Industry Regulator on the review.

*Clause 28: Exclusion of other challenges to determinations*

This clause excludes any other challenge to the validity of a pricing determination of the Industry Regulator.

*PART 7 INQUIRIES AND REPORTS*

*Clause 29: Inquiry by Industry Regulator*

This clause provides for inquiries by the Industry Regulator after consultation with the Minister if the Industry Regulator considers an inquiry necessary or desirable for the purpose of carrying out functions.

*Clause 30: Minister may refer matter for inquiry*

This clause enables the Minister to require the Industry Regulator to conduct an inquiry with specific terms of reference.

*Clause 31: Notice of inquiry*

This is a procedural provision about public and other notice of an inquiry.

*Clause 32: Conduct of inquiry*

This is a procedural provision about the conduct of an inquiry. Public hearings are possible but not mandatory. The Industry Regulator is empowered to require attendance of a person at an inquiry.

*Clause 33: Reports*

A final report on an inquiry is to be given to the Minister. Provision is made for special reports during the course of an inquiry. Reports are to be laid before Parliament and made available to members of the public.

Provisions are included for the exclusion from publication of confidential material.

*PART 8 MISCELLANEOUS*

*Clause 34: Annual report*

This clause makes provision for annual reports to be laid before Parliament.

*Clause 35: False or misleading information*

This clause makes it an offence to make a statement that is false or misleading in a material particular in information given under the measure.

*Clause 36: Statutory declarations*

The Industry Regulator is empowered to require information to be verified by statutory declaration.

*Clause 37: General defence*

This clause contains the general defence that the offence was not committed intentionally and did not result from any failure to take reasonable care to avoid the commission of the offence.

*Clause 38: Offences by bodies corporate*

This clause contains the usual provision making directors of a body corporate guilty of an offence of which the body corporate is guilty.

*Clause 39: Continuing offence*

This clause contains a continuing offence penalty of one-fifth of the applicable maximum penalty per day.

*Clause 40: Immunity from personal liability*

This clause contains the usual provision for immunity from personal liability for acts or omissions in good faith. Liability is transferred to the Crown.

*Clause 41: Evidence*

This clause provides evidentiary aids in relation to appointments and official action taken under the measure.

*Clause 42: Service*

This clause provides for service personally or by post or by leaving the relevant document with a person over the age of 16 years at the person's place of residence or business. It also contemplates service on a company in accordance with the *Corporations Law*.

*Clause 43: Regulations*

This clause provides general regulation making power.

*SCHEDULE Appointment and Selection of Experts for Court*

The Schedule provides for establishment by the Minister of a panel of persons with knowledge of, or experience in, a regulated industry or in the fields of commerce or economics. On appeals under the measure the Court is required to sit with two experts selected from the panel.

**Mr De LAINE** secured the adjournment of the debate.

## SUSTAINABLE ENERGY BILL

**The Hon. J.W. OLSEN (Premier)** obtained leave and introduced a Bill for an Act to establish the South Australian Sustainable Energy Authority; to promote energy efficiency; and for other purposes. Read a first time.

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

*That this Bill be now read a second time.*

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

Leave granted.

As part of the Government's ongoing commitment to the environment and the development of sustainable energy, the Sustainable Energy Bill 1998 establishes a new body—the South Australian Sustainable Energy Authority—to assist in the promotion of sustainable energy technology, and in the reduction of energy demand and greenhouse gas emissions, so as to encourage better environmental outcomes.

The South Australian Sustainable Energy Authority is established under the Bill as a statutory corporation, with an appointed board of directors and appropriate staffing. Its dedicated functions include:

- to investigate and promote the development, commercialisation and use of sustainable energy technology;
- to provide information, education, training, funding and other assistance to persons engaged in the development, commercialisation, promotion and use of sustainable energy technology;
- to advise other persons on matters relating to the development, commercialisation, promotion and use of sustainable energy technology; and
- to accredit schemes for the generation of energy from sustainable sources.

'Sustainable energy technology' refers to products, processes and practices which improve energy-use efficiency, minimise the use of non-renewable energy sources, optimise the use of ecologically sustainable energy sources or minimise greenhouse gas emissions, pollutant wastes and other adverse environmental impacts resulting from the production and use of energy. For these purposes, 'non-renewable energy' means energy derived from depletable sources (eg. coal) and 'ecologically sustainable energy'
means energy derived from non-depletable sources (eg. solar energy).

Every three years the Authority must prepare a three year corporate plan specifying the Authority's objectives, strategies, policies and programmes. It must also report on the status of sustainable energy technology in South Australia. The plan will be made publicly available and public submissions invited prior to the plan being finalised.

The Authority will be expected to work with similar organisations in other States such as the NSW Sustainable Energy Development Authority.

The Authority will, at least initially, be funded out of the Consolidated Account, but over time may, to some extent, become self-funding.

I commend the Sustainable Energy Bill 1998 to honourable members.

Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Commencement*

This clause provides for commencement of the measure and excludes the operation of the provision of the *Acts Interpretation Act* that results in provisions commencing no later than 2 years after enactment.

*Clause 3: Objects of Act*

The objects are—

- to reduce the levels of greenhouse gas emissions and pollutant wastes resulting from the production and use of energy; and
- to encourage the development, commercialisation, promotion and use of sustainable energy technology,

in accordance with the principles of ecologically sustainable development set out in section 10(1) of the *Environment Protection Act 1993*.

*Clause 4: Interpretation*

This clause contains definitions of words and phrases used in the Bill and, in particular, defines sustainable energy technology to mean products, processes and practices designed to—

- improve efficiency in the use of energy; or
- minimise the use of non-renewable energy sources (*ie* energy derived from depletable sources such as coal, gas, petroleum or uranium); or
- optimise the use of ecologically sustainable energy sources (such as the sun, wind, geothermal sources, etc.); or
- minimise greenhouse gas emissions, pollutant wastes and other adverse environmental impacts resulting from the production and use of energy.

*Clause 5: Establishment of South Australian Sustainable Energy Authority*

The *South Australian Sustainable Energy Authority* (Authority) is established as a body corporate with the functions and powers assigned or conferred by or under this measure or any other Act.

*Clause 6: Application of Public Corporations Act 1993*

The Authority is a statutory corporation to which the provisions of the *Public Corporations Act 1993* apply subject to any exceptions prescribed by regulation.

*Clause 7: Functions and powers of Authority*

The functions of the Authority are—

- to investigate and promote the development, commercialisation and use of sustainable energy technology;
- to provide information, education, training, financial accommodation and other assistance to persons engaged in the development, commercialisation, promotion and use of sustainable energy technology;
- to advise other persons on matters relating to the development, commercialisation, promotion and use of sustainable energy technology;
- to accredit schemes for the generation of energy from sustainable sources;
- to perform any other function assigned by or under this measure or any other Act.

The Authority has all the powers of a natural person together with powers conferred on it under this measure or another Act and may perform its functions and exercise its powers within or outside the State.

*Clause 8: Common seal and execution of documents*

The common seal of the Authority must not be affixed to a document except in pursuance of a decision of the board and the affixing of the seal must be attested by the signatures of two directors.

*Clause 9: Establishment of board*

A board of directors, consisting of directors appointed by the Governor, is established as the governing body of the Authority. The board's membership must comprise persons who have, in the Minister's opinion, appropriate qualifications or expertise in relation to one or more of the following:

- sustainable energy or sustainable energy related services;
- consumer protection or community interests;
- environmental protection;
- financial management.

*Clause 10: Conditions of membership*

The directors will be appointed for a term not exceeding 3 years and may be reappointed. They may be removed from office by the Governor for, for example, misconduct or failure to carry out their duties.

*Clause 11: Vacancies or defects in appointment of directors*

An act of the board is not invalid by reason only of a vacancy in its membership or a defect in the appointment of a director.

*Clause 12: Remuneration*

A director is entitled to be paid from the funds of the Authority such amounts as may be determined by the Governor.

*Clause 13: Board proceedings*

This clause sets out what constitutes a quorum of the board and the procedures the board must follow in respect of its meetings, of which accurate minutes must be kept.

*Clause 14: Staff of Authority*

The Minister may appoint a chief executive of the Authority and the Authority may appoint (on terms and conditions fixed by the Authority) such employees as it thinks necessary or desirable.

*Clause 15: Consultants*

The Authority may engage consultants on terms and conditions considered appropriate by the Authority.

*Clause 16: Corporate plans*

The Authority is required to prepare and deliver to the Minister, at least 3 months before the beginning of each 3 year period, a draft corporate plan for that period. A corporate plan must specify—

- the objectives of the activities of the Authority for the 3 year period concerned; and
- the strategies, policies, programs and budgets for achieving those objectives; and
- targets and criteria for assessing the performance of the Authority in its pursuit of those objectives; and
- the current level and status of sustainable energy technology in South Australia, the level and status of sustainable energy technology in South Australia that is likely to be achieved if those objectives are achieved and the effects of the Authority's previous activities in relation to those objectives; and
- such other matters as may be prescribed by the regulations.

*Clause 17: Public consultation on draft corporate plans*

Notice of a draft plan must be published in the *Gazette* and in a daily newspaper in order to allow for a public consultation process to occur. The Authority must, in preparing a draft corporate plan, consult with appropriate consumer representatives, relevant interest groups and any relevant sector of industry or commerce and give due consideration to matters arising from any submissions and consultations under this proposed section.

*Clause 18: Regulations*

This clause provides general regulation making power.

**Mr De LAINE** secured the adjournment of the debate.

## ELECTRICITY (MISCELLANEOUS) AMENDMENT BILL

**The Hon. J.W. OLSEN (Premier)** obtained leave and introduced a Bill for an Act to amend the Electricity Act 1996 and to make related amendments to the Renmark Irrigation Trust Act 1936. Read a first time.

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

*That this Bill be now read a second time.*

The Electricity (Miscellaneous) Amendment Bill is the first of a package of measures which give legislative form and legal backing to the commitments I made to the House on 30 June concerning the future structure and regulatory framework of South Australia's new electricity industry. This Bill, together with the Electricity Corporation's (Restructuring and Disposal) Bill, which I introduced on 18 March, and two further Bills, the Independent Industry Regulator Bill and the Sustainable Energy Bill, which I have just introduced, provide a comprehensive package of electricity reform legislation.

This legislative package establishes an industry structure that will meet the requirements of national competition policy; give South Australia the capacity to participate in the national electricity market without risk to the taxpayer; create a powerful and effective system of consumer protection; and position the State so that we can be national leaders in the development of sustainable energy technology and the reduction of energy demand. I hardly need to add that the legislation also provides the means by which South Australia can escape from the burden of unproductive debt which was forced on taxpayers by the economic adventurism of the previous Labor Government.

For these reasons the passage of these measures through the Parliament is both necessary and urgent. As regards their necessity I remind the House that, from as early as 1991, decisions have been made by Australian Governments to reform the Australian electricity industry and to establish a national electricity market. South Australia needs to meet its national competition policy commitments to ensure its entitlement to competition payments of $322 million and financial assistance grants of $690 million over the next nine years. But both entry to the national electricity market and the National Competition Policy commitments have conditions attached.

These conditions are designed to ensure fair competition in generation and retail power supply and tough consumer-focused regulation of a natural monopoly within the distribution and transmission businesses. That is, the poles and wires. Unfortunately, despite the restructuring of ETSA and Optima, which was carried out in 1997, these are conditions that South Australia cannot meet with its current industry structure. Consequently, we need to take the further steps which are contained in these Bills to ensure that we meet our commitments and are in a strong position to participate fully in the new national market.

The Government believes that the overall benefits to South Australia of competition and participation in the national market are beyond dispute. However, the Government also accepts that the new national market holds risks for owners and operators of electricity assets. We have been accused of exaggerating those risks, but let me give three examples which demonstrate that they are in fact very real. In New South Wales the Auditor-General is forecasting a profits decline for the generation companies from $222 million in 1996-97 to just $51 million in 1998-99—a decline of 77 per cent!

In Victoria, following a draft determination by the independent regulator and the ACCC over the allowable rate of return suitable for the gas industry, the price of shares in the electricity distributor, United Energy, fell by over 15 per cent on fears that electricity companies would be similarly affected in the future. Within the past few months several utilities in the United States, including Illinova Corporation, First Energy and PacifiCorp, have announced losses of hundreds of millions dollars from trading electricity contracts. In particular, Illinova, a company of similar size to ETSA, which had previously enjoyed stable earnings, suffered trading losses in one month which were greater than its previous year's income.

These risks are not hypothetical. They are very real. They are the result of competition in a deregulated market. A market which ETSA will be forced to enter to off-set the loss in markets which it anticipates will occur once the national market begins to operate. These are exactly the type of market risks which brought our State owned financial institutions to their knees and left taxpayers with an interest bill of $2 million a day. My Government does not believe that South Australian taxpayers should be exposed to risks of this kind. As I said in my statement of 30 June, South Australia has been down that sad and damaging road before and it is not an experience which my Government intends to repeat.

I have said that these Bills are necessary. They are also urgent. Last week the National Electricity Market Management Company (NEMMCO) announced that the target start date for the operation of the national market in South Australia would be 15 November 1998. That is a little less than four months away. In less than four months industry and other large users of power will have full access to competitive power prices. There are 15 companies, 11 of them from interstate, which applied to operate as retailers of electricity within South Australia. In less than four months they will be competing with ETSA for the business of large users of power in South Australia who will enter the national market.

The first tranche is made up of 150 companies which contribute 30 per cent of ETSA's revenue. And, of these 150 companies, 26 contribute approximately 20 per cent of that

revenue stream. In less than four months the South Australian companies, and many others who have watched their competitors in other States gain the benefit of competitive prices, will be actively seeking those prices for themselves. Interstate experience is that, when offered the opportunity to choose their retailer, almost 50 per cent of customers decided to change.

South Australia's electricity industry faces a rapidly changing environment. The Government cannot stand idly by and do nothing. Unfortunately, the Labor Opposition seems to think that this is exactly what we should do. It is living in the past. In a desperate attempt to give himself and his Party a history which does not include the State Bank, the Leader of the Opposition has embraced the 1970s. He has gone back to his origins—Don Dunstan's press secretary, minus, of course, the embarrassment of his anti-Roxby Downs past. His vision for the new millennium is based on a 1970s style protected economy and revenue base which no longer exists. His plans—or, more correctly, his lack of plans—for this State's electricity industry are based on a stubborn refusal to accept that the rules of the game have changed.

Whether we like it or not, national competition policy, which, after all, was put in train by previous State and Federal Labor Governments, demands that we fundamentally change the way in which we structure the State's electricity industry. Whether we like it or not, the new national electricity market brings with it significant risks which are better managed by the private sector and not South Australian taxpayers.

The imminent commencement of the new national market makes industry restructuring urgent. The determination of the New South Wales Labor Premier to sell that State's power assets, and the commitment of the Opposition to do so if it gains office in New South Wales, makes the sale of our assets equally urgent. As I informed the House on 30 June, we do not have the luxury of delay. We have a narrow window of opportunity in which we can gain maximum value for South Australian taxpayers. One thing is certain: South Australia's power assets will eventually be sold either now, as a result of these measures being passed, or at sometime in the not so distant future when the logic of the competitive market leaves no alternative.

The risks of the new market and the costs of upgrading the assets so that they can be competitive will demand that a future Government do so regardless of which Party is in power. The question for the Labor Opposition and the Australian Democrats is: do you want to take that step now when we can maximise the benefit, or take it when there is no alternative and the value has been slashed by New South Wales attracting the investment which is on offer? Do you want South Australia to have the capacity to reduce its debt and so be able to provide the services which the community requires, or worse, do you want to be responsible for a forced sale of the assets at some time in the future as competition begins to bite, to cope with losses or dramatically reduced revenues and take the risk that you will still leave the State with a heavy load of debt?

My Government has no doubt that the only answer to these questions is to act now on the basis of the package of Bills which we are now putting before the House.

*Mr Venning interjecting:*

**The Hon. J.W. OLSEN:** Indeed, they do. As I announced in my statement on 30 June, over the last three months the Government has been undertaking a detailed study of proposed reforms and business structures. The framework for reform has now been finalised and incorporated into this package of legislation, which includes the Electricity Corporations (Restructuring and Disposal) Bill, introduced on 18 March, the Electricity (Miscellaneous) Amendment Bill 1998, the Independent Industry Regulator Bill 1998, and the Sustainable Energy Bill 1998 which I have introduced today.

In brief, the provisions of these Bills meet the commitments which I have made on behalf of the Government or establish the structures through which these commitments can be met. In particular:

- a restructured electricity industry which meets the requirements of competition policy in the ACCC, particularly through the establishment of competition in the generation sector and the complete separation of transmission from other electricity assets;
- the issue of an Electricity Pricing Order by the Government which will control retail pricing for non-contestable customers for the period to 1 January 2003 and regulate network service charges;
- a regulatory environment based on the establishment of the South Australian Independent Industry Regulator. The regulator will regulate network prices once the Electricity Pricing Order expires, and determine and monitor service standards. The regulator will not be subject to ministerial direction in the performance of its functions;
- an Electricity Industry Ombudsman to provide a strong and independent voice for customers and oversee the resolution of electricity consumer complaints. The regulator will be required to commit industry participants by means of a licence condition to establish, finance and participate in a scheme for an Electricity Industry Ombudsman;
- provisions which require that the regulator adopt the principle that network service charges for small customers will be equivalent for city and country;
- the power of the Independent Regulator to consult with and have regard to the advice of the Commissioner for Consumer Affairs and an advisory committee which will be established to represent the views of consumers;
- the continuation after privatisation of concession payments to those categories of families or individuals who currently receive them;
- steps toward improved environmental outcomes through the promotion of sustainable energy technology and reductions in harmful thermal and airborne emissions by power generators.

The legislation deals with a number of other important matters to which I wish to refer. These include the mechanism by which prices will be regulated and in particular the means by which we shall protect residents of rural areas once full deregulation occurs in 2003. The structures we will establish to provide for system planning, measures to prevent monopoly control or re-aggregation through restrictions on cross ownership guarantee that the net proceeds of the sale shall be used to retire the State's debt, protection against arbitrary disconnections and the continuation of the existing program of undergrounding power lines.

I have already referred to the Electricity Pricing Order which the Government will issue. This order will be issued prior to the sale of any of the State's electricity businesses. Under the order, initial electricity pricing will be regulated so that prices cannot rise by more than the CPI. To ensure consumer protection, the Electricity Pricing Order cannot be varied or revoked and will be binding on the independent regulator. As regards the general policy, the regulator will set maximum prices based on a 'regulated cap' mechanism that

provides incentives for the network operators to reduce the cost of electricity delivered over time.

I believe that most members would be aware that, in line with the introduction of national competition policy, Governments will not be able to set electricity prices after 2003. This will be the case in all States regardless of which Party is in power. I might add that, while this is common knowledge, it is a fact which the Leader of the Opposition and the Deputy Leader of the Democrats apparently refuse to acknowledge. We have taken a number of decisions to ensure that, as far as possible, residents of country areas will not be disadvantaged.

The Bill amends the Electricity Act to require the regulator to have regard to the principle that all 'on grid' small customers should, regardless of their location, be charged the same rate for network services, that is, the charges relating to the transmission and distribution of electricity. This measure, combined with the decision to keep ETSA as a single distribution company, means that we can maintain the current cross subsidy from the city to the country. The Government has been advised that, as a result of these actions, the maximum price difference to small customers between the city and the country is expected to be no more than 1.7 per cent.

However, to ensure that this differential is not exceeded, amendments to the Electricity Corporations (Restructuring and Disposal) Bill will require the Minister to establish and operate a scheme to ensure that small customers in country areas do not pay in excess of 1.7 per cent more than corresponding city customers with the same levels and patterns of consumption. We estimate that this scheme will require funding of $10 million. This decision, combined with the maintenance of the existing level of cross subsidisation between city and country, means that more than $120 million per annum will go towards supporting residents of country areas.

The transition to the national electricity market will mean that planning in relation to interconnection will become the responsibility of NEMMCO. However, under the National Electricity Code, South Australia will retain responsibility for intrastate transmission and distribution system planning. To carry out this function, we propose to establish a new body, which will be called the Electricity Supply Industry Planning Council. The council will also advise the Government on issues relating to the planning necessary to ensure the adequacy and security of South Australia's power supply. The council will be made up of persons with qualifications and expertise in relation to system design, development, operation and planning as well as knowledge of electricity markets and financial management. It will ensure that coordinated planning is maintained with the new electricity industry.

Having taken steps to establish a competitive industry, the Government is determined to ensure that cross ownership rules are established which will not allow re-aggregation or the growth of monopoly power. Generally, the purchaser of one of the State's electricity businesses will not be permitted to buy another, except that a purchaser of the transmission business or the distribution retailing business would be able to acquire the Gas Trader. The reverse would also apply. Agreement has been reached with the ACCC that these prohibitions will apply until January 2003. After this date, Federal anti-competition law would be applied, in particular the Trade Practices Act.

The question of how the proceeds of a sale will be used is an important one. Repayment of debt will result in dramatic savings in the current $2 million a day interest payments. These savings will be able to be spent by this and future Governments on schools, hospitals, roads and large construction projects which will reinvigorate our economy and create more jobs. To ensure that South Australian taxpayers can have confidence that the proceeds will reduce State debt, I have already tabled an amendment to the Electricity Corporations (Restructuring and Disposal) Bill to provide that the net proceeds of the sale will be paid into a special deposit account at the Treasury which must be used solely for the purpose of retiring State debt.

The Government recognises that, while the provision of electricity involves costs which have to be paid for, it is also rightly regarded as an essential service. To enhance customer protection, the Electricity Act will be amended to require both retail and distribution licences to include conditions which will limit the grounds on which the supply of electricity may be discontinued or disconnected. These conditions will also prescribe the process to be followed before supply to customers can be discontinued. The continuation of programs to underground power lines will also be provided for in the amendments to the Electricity Act. It will be a condition of every transmission and distribution licence that the licensee carry out work to locate power lines underground in accordance with underground programming prepared by the responsible Minister.

It is also intended to introduce some consequential amendments to the Electricity Corporations (Restructuring and Disposal) Bill 1998, which enables the sale of ETSA Corporation and Optima Energy. Those amendments deal with a number of matters, including the protection of employee entitlements and future superannuation arrangements. As the details of these arrangements are still being finalised with the relevant unions, the amendments will be moved at a later stage by the Treasurer.

I wish to stress again that this legislation is necessary and it is urgent. The issues concerning the restructuring of the electricity industry may be complex, but the underlying issues are quite simple. Do we want to meet our commitments under competition policy and qualify for almost $1 billion in competition payments? Do we want to rid South Australia of the burden of debt? Do we want to keep jobs in South Australia by allowing our industry access to competitive electricity prices? Do we want to insulate South Australian taxpayers from the risks associated with the new national market? Do we want a modern electricity industry with consumers protected by a powerful and independent regulator? Do we want to take the initiative and protect rural consumers after the year 2003? Do we want to encourage the development of a sustainable energy industry?

These are the questions which underlie the debate on the restructuring of South Australia's electricity industry. These are the questions which every member of this Parliament will have to answer. The passage through the Parliament of this package of Bills will allow us to unequivocally answer 'Yes' to each and every question. I commend the legislation to the House. I seek leave to have the explanation of the clauses inserted in *Hansard* without my reading it.

Leave granted.

Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Commencement*

The measure is to be brought into operation by proclamation.

*Clause 3: Amendment of long title*

References to consequential amendments already made in the principal Act are removed. The amending provisions are exhausted and are being replaced with a new Schedule.

*Clause 4: Amendment of s. 4—Interpretation*

References will appear in amendments to section 17 of the principal Act (Consideration of applications for licences) and in proposed new section 21 (Licence conditions) to the 'cross-ownership rules'. These are defined as the rules set out in clause 2 of the proposed new Schedule 1.

The definition of 'customer' is amended to narrow the meaning to a person who has a supply of electricity available for consumption by that person but at the same time to widen the meaning to include persons of a class declared by regulation to be customers. This will allow the scope of 'retailing' to be fixed with more certainty.

'Telecommunications' is defined for the purposes of provisions contained in proposed new sections 23 and 48A dealing with the use of electricity infrastructure for telecommunications purposes.

*Clause 5: Amendment of s. 5—Crown bound*

Section 5 is amended to remove a reference to electricity corporations which is unnecessary and will become superfluous in view of the other legislation before the Parliament.

*Clause 6: Substitution of s. 6—Other statutory requirements not affected*

The substituted provision makes it clear that the principal Act is in addition to and does not derogate from the provisions of the *National Electricity (South Australia) Act 1996* as well as other Acts.

*Clause 7: Insertion of Part 2 Divisions 1 and 2*

New Divisions are inserted dealing with the Industry Regulator and the Electricity Supply Industry Planning Council.

DIVISION 1—INDUSTRY REGULATOR

*Proposed new section 6A—Functions and powers of Industry Regulator*

This new provision spells out that the proposed South Australian Independent Industry Regulator (to be established under an *Independent Industry Regulator Act*) will have licensing, price regulation and other functions and powers conferred by the *Electricity Act* or regulations under the *Electricity Act*.

The Industry Regulator is required by the provision to liaise with the proposed electricity supply industry ombudsman to be appointed under a scheme required by licence conditions.

The provision authorises regulations to be made to add to or vary the Industry Regulator's functions and powers as required for the purposes of the *National Electricity (South Australia) Law* and the National Electricity Code.

In performing functions, the Industry Regulator is to have regard to the provisions of the National Electricity Code and the need to avoid duplication of, or inconsistency with, regulatory requirements under that Code.

DIVISION 2—ELECTRICITY SUPPLY INDUSTRY PLANNING COUNCIL

*Proposed new section 6B—Interpretation*

Definitions of certain terms are provided for the purposes of the Division.

*Proposed new section 6C—Establishment of Electricity Supply Industry Planning Council*

The clause establishes the Planning Council as a body corporate.

*Proposed new section 6D—Application of Public Corporations Act 1993*

The *Public Corporations Act 1993* is to apply to the Planning Council subject to any exceptions prescribed by regulation.

*Proposed new section 6E—Functions of Electricity Supply Industry Planning Council*

The functions of the Planning Council will be:

- to develop overall electricity load forecasts in consultation with participants in the electricity supply industry and report the forecasts to the Minister and the Industry Regulator
- to review and report to the Minister and the Industry Regulator on the performance of the South Australian power system
- to advise the Minister and the Industry Regulator on the performance of the South Australian power system
- to prepare or review proposals for extending or augmenting the South Australian power system and to make reports and recommendations to the Minister and the Industry Regulator in relation to such proposals
- to review, conduct or control tendering processes for extensions or augmentations of transmission networks in South Australia in such manner as is prescribed by regulation
- to advise the Minister and the Industry Regulator, either on its own initiative or at the request of the Minister or the Industry Regulator, on other electricity supply industry and market policy matters
- to submit to the Minister and the Industry Regulator, and publish, an annual review of the matters referred to above
- to perform any other function prescribed by regulation or assigned by or under any other Act.

*Proposed new section 6F—Common seal and execution of documents*

This provision regulates the use of the Planning Council's common seal and the execution of documents by the Council.

*Proposed new section 6G—Establishment of board*

The Planning Council is to have a five person board with appropriate qualifications and expertise in—

- power system design, development and operation
- transmission and distribution network planning
- electricity markets
- financial measurement.

*Proposed new section 6H—Conditions of membership*

Directors are to have terms of appointment of not more than three years. The provision deals with removal from office and vacancies in directors' offices.

*Proposed new section 6I—Vacancies or defects in appointment of directors*

An act of the board will not be invalid because of a vacancy or a defect in the appointment of a director.

*Proposed new section 6J—Remuneration*

A director is to be entitled to remuneration fixed by the Governor and paid from the Council's funds.

*Proposed new section 6K—Board proceedings*

This provision deals with the procedures to be followed by the board of the Planning Council.

*Proposed new section 6L—Staff of Planning Council*

The Minister may appoint a chief executive of the Council. The Council may appoint further staff.

*Proposed new section 6M—Consultants*

Provision is made for consultants to be engaged by the Planning Council.

*Clause 8: Substitution of heading to Part 2 Division 1*

The heading to the Division dealing with the Technical Regulator is altered to renumber the Division as Division 3.

*Clause 9: Amendment of s. 7—Technical Regulator*

The Technical Regulator will in future be appointed by the Minister rather than the Governor.

*Clause 10: Substitution of s. 8—Functions of Technical Regulator*

The Technical Regulator's functions are narrowed in view of the role of the proposed Industry Regulator in relation to licensing and service standards and the role of the proposed Planning Council.

*Clause 11: Amendment of s. 10—Technical Regulator's power to require information*

*Clause 12: Amendment of s. 11—Obligation to preserve confidentiality*

These sections are amended in consequence of narrowing of the Technical Regulator's role. The maximum penalty for failing to provide information as required by the Technical Regulator is increased to $20 000 as part of a general raising of penalty levels under the principal Act.

*Clause 13: Repeal of ss. 12 and 13*

The provisions for executive and advisory committees for the Technical Regulator are replaced by a proposed new general provision for advisory committees for the Minister, the Industry Regulator or the Technical Regulator (see proposed new section 14A).

*Clause 14: Amendment of s. 14—Annual report*

The clause removes the requirement for the Technical Regulator to report on undergrounding work. This is no longer required in view of the narrowing of the range of functions to be performed by the Technical Regulator.

*Clause 15: Substitution of Part 2 Division 2 (ss. 14A to 14D)*

Division 2 of Part 2 of the principal Act (comprising sections 14A to 14D) dealing with the Pricing Regulator is replaced with a Division 4 providing for advisory committees.

DIVISION 4—ADVISORY COMMITTEES

*Proposed new section 14A—Consumer advisory committee*

The Industry Regulator is required to establish an advisory committee comprising representatives of consumers—

- to provide advice to the Industry Regulator in relation to the performance of the Industry Regulator's licensing functions under Part 3 of the measure; and
- to provide advice to the Minister or the Industry Regulator, either on its own initiative or at the request of the Minister or the Industry Regulator, on any other matter relating to the electricity supply industry.

*Proposed new section 14B—Other advisory committees*

The Minister, the Industry Regulator or the Technical Regulator may establish other advisory committees to provide advice on specified aspects of the administration of the Act.

*Clause 16: Insertion of Part 3 Division A1*

DIVISION A1—DECLARATION AS REGULATED INDUSTRY

*Proposed new section 14C—Declaration as regulated industry*

The proposed new section declares the electricity supply industry to be a regulated industry for the purposes of the *Independent Industry Regulator Act*. The provisions contained in that measure relating to price regulation, codes and rules and other matters are all linked to "regulated industries" which are required to be declared as such by the Acts dealing with those industries or by regulation.

*Clause 17: Amendment of s. 15—Requirement for licence*

System control is added as an operation in the electricity supply industry for which a licence will be required. The maximum penalty for not having a licence as required is increased to $250 000. A provision is added making it clear that NEMMCO (the National Electricity Market Management Company under the *National Electricity Law*) is not required to be licensed because of its operations for national market purposes.

*Clause 18: Amendment of s. 16—Application for licence*

Amendments are made consequential to the replacement of the Technical Regulator by the Industry Regulator for licensing functions.

*Clause 19: Amendment of s. 17—Consideration of application*

The criteria (now to be considered by the Industry Regulator) for the issue of a licence are adjusted—

- to make it a requirement (subject to alternatives to be prescribed by regulation) that a licence applicant be a body corporate incorporated in South Australia
- to require that the issue of a licence will not result in a breach of the cross-ownership rules set out in Schedule 1
- to prevent the same person holding both a distribution network licence and a retailing licence
- to require that a system controller be capable of adequately exercising system control functions in order to qualify for a system control licence.

The criteria to be applied by the Industry Regulator are in addition to the factors required to be taken into account by the Industry Regulator under Part 2 of the *Independent Industry Regulator Act*.

*Clause 20: Insertion of s. 17A—Licences may be held jointly*

Proposed new section 17A makes it clear that licences may be held jointly and, if so, the joint licensees will be jointly and severally liable to meet statutory requirements.

*Clause 21: Substitution of s. 19—Term of licence*

The proposed new section allows licences to be issued for an indefinite period or for a fixed term.

*Clause 22: Amendment of s. 20—Licence fees and returns*

The licence fee provisions are amended to enable licence fees to cover the costs of all aspects of regulation of the electricity supply industry, including the costs of the Planning Council proposed under Part 2.

*Clause 23: Substitution of ss. 21 to 24*

*Proposed new section 21—Licence conditions*

Every licence is to be made subject to the conditions determined by the Industry Regulator—

- requiring compliance with applicable codes or rules made under the *Independent Industry Regulator Act* as in force from time to time
- requiring compliance with specified technical or safety requirements or standards
- relating to the electricity entity's financial or other capacity to continue operations under the licence
- requiring the electricity entity to maintain specified accounting records and to prepare accounts according to specified principles
- specifying methods or principles to be applied by the electricity entity in determining prices or charges
- requiring the electricity entity to notify the Industry Regulator about changes to officers, and if applicable, major shareholders of the entity
- requiring the electricity entity to comply with the cross-ownership rules
- requiring the constitution of the electricity entity to contain provisions for the divestiture of shares for the purposes of rectifying a breach of the cross-ownership rules
- requiring the electricity entity to notify the Industry Regulator about any matters relevant to the enforcement of the cross-ownership rules
- requiring the electricity entity to have all or part of the operations authorised by the licence audited and to report the results of the audit to the Industry Regulator
- requiring the electricity entity to provide, in the manner and form determined by the Industry Regulator, such other information as the Industry Regulator may from time to time require
- requiring the electricity entity to comply with the requirements of any scheme approved and funded by the Minister for the provision by the State of customer concessions or the performance of community service obligations by electricity entities.

The Industry Regulator must, on the issue of a licence, make the licence subject to further conditions that the Industry Regulator is required by regulation to impose on the issue of such a licence.

The Industry Regulator may, on the issue of a licence, impose further conditions considered appropriate by the Industry Regulator.

*Proposed new section 22—Licences authorising generation of electricity*

Further special conditions are to be imposed on a generation licence—

- requiring compliance with directions of the system controller
- requiring the business of the generation of electricity authorised by the licence to be kept separate from any other business of the electricity entity or any other person in the manner and to the extent specified in the conditions.

*Proposed new section 23—Licences authorising operation of transmission or distribution network*

Further special conditions are to be imposed on a transmission or distribution network licence—

- requiring compliance with directions of the system controller
- requiring the electricity entity to comply with specified provisions for or relating to the granting to other electricity entities of access (on non-discriminatory terms) to the entity's transmission or distribution network for the transmission or distribution of electricity by the other entities
- requiring the electricity entity to comply with specified provisions for or relating to the granting to all electricity entities and customers of a class specified in the condition access (on non-discriminatory terms) to the entity's transmission or distribution network to obtain electricity from the network
- requiring the electricity entity to inform persons seeking or in receipt of network services of the terms on which the services are provided (including the charges for the services) and of any changes in those terms
- requiring the electricity entity to confer rights on other electricity entities, as far as technically feasible and on fair commercial terms, to use the entity's transmission or distribution network for the support or use of electricity infrastructure of the other entities
- requiring the electricity entity to carry out work to locate powerlines underground in accordance with a program established under Part 5A
- requiring the electricity entity to participate in an electricity supply industry ombudsman scheme the terms and conditions of which are approved by the Industry Regulator

- requiring the electricity entity to comply with code provisions as in force from time to time (which the Industry Regulator must make under the *Independent Industry Regulator Act*) establishing a scheme for other bodies to have access to the entity's transmission or distribution network for telecommunications purposes (subject to requirements as to technical feasibility and preservation of visual amenity), and for the arbitration of disputes between the entity and such other bodies in relation to such access by a person other than the Industry Regulator appointed by the Industry Regulator.

In addition, in the case of a transmission network licence, a further condition is to be imposed requiring the business of the operation of the transmission network authorised by the licence to be kept separate from any other business of the electricity entity or any other person in the manner and to the extent specified in the conditions.

In addition, in the case of a distribution network licence, further conditions are to be imposed—

- requiring the business of the operation of the distribution network authorised by the licence to be kept separate from any other business of the electricity entity or any other person in the manner and to the extent specified in the conditions
- requiring the electricity entity to comply with code provisions as in force from time to time (which the Industry Regulator must make under the *Independent Industry Regulator Act*) imposing minimum standards of service for customers at least equivalent to the actual levels of service for such customers prevailing at the commencement of this section, and requiring the entity to monitor and report on levels of compliance with those minimum standards
- requiring the electricity entity to comply with code provisions as in force from time to time (which the Industry Regulator must make under the *Independent Industry Regulator Act*) limiting the grounds on which the supply of electricity to customers may be disconnected and prescribing the process to be followed before the supply of electricity is disconnected
- requiring the electricity entity to establish customer consultation processes of a specified kind
- requiring the electricity entity—
  - to investigate, before it makes any significant expansion of the distribution network or the capacity of the distribution network, whether it would be cost effective to avoid or postpone such expansion by implementing measures for the reduction of demand for electricity from the network
  - to prepare and publish reports relating to such demand management investigations and measures
- requiring the electricity entity to sell and supply electricity (on terms and conditions approved by the Industry Regulator) to customers of another electricity entity whose licence to carry on retailing of electricity is suspended or cancelled or whose right to acquire electricity from the market for wholesale trading in electricity is suspended or terminated or who has ceased to retail electricity in the State (a retailer of last resort requirement).

A retailer of last resort requirement operates only until 1 January 2005.

The obligation to sell and supply electricity to a customer imposed by a retailer of last resort requirement continues only until the end of three months from the event giving rise to the obligation or until the customer advises the electricity entity that the sale and supply is no longer required, whichever first occurs.

A licence that is subject to a retailer of last resort requirement is to be taken to authorise the sale and supply of electricity in accordance with the requirement.

*Proposed new section 24—Licences authorising retailing*

A retailing licence will, if the Minister so determines, confer an exclusive right to sell and supply electricity to non-contestable customers in a specified area.

The Industry Regulator is to make a retailing licence subject to further special conditions—

- requiring the business of the retailing of electricity authorised by the licence to be kept separate from any other business of the electricity entity or any other person in the manner and to the extent specified in the conditions
- requiring or relating to standard contractual terms and conditions to apply to the sale and supply of electricity to non-contestable customers or customers of a prescribed class
- requiring the electricity entity to establish customer consultation processes of a specified kind
- requiring the electricity entity to comply with code provisions as in force from time to time (which the Industry Regulator must make under the *Independent Industry Regulator Act*) imposing minimum standards of service for customers at least equivalent to the actual levels of service for such customers prevailing at the commencement of this section, and requiring the entity to monitor and report on levels of compliance with those minimum standards
- requiring the electricity entity to comply with code provisions as in force from time to time (which the Industry Regulator must make under the *Independent Industry Regulator Act*) limiting the grounds on which the supply of electricity to customers may be discontinued or disconnected and prescribing the process to be followed before the supply of electricity is discontinued or disconnected
- requiring a specified process to be followed to resolve disputes between the electricity entity and customers as to the sale and supply of electricity
- requiring the electricity entity to participate in an electricity supply industry ombudsman scheme the terms and conditions of which are approved by the Industry Regulator
- requiring the electricity entity—
  - to investigate strategies for achieving a reduction of greenhouse gas emissions to such targets as may be set by the Environment Protection Authority from time to time or such levels as may be binding on the entity from time to time, including strategies for promoting the efficient use of electricity and the sale, as far as is commercially and technically feasible, of electricity produced through cogeneration or from sustainable sources
  - to prepare and publish annual reports on the implementation of such strategies.

Before issuing a licence conferring an exclusive right to sell and supply electricity to non-contestable customers within a specified area, agreeing to the transfer of such a licence or determining or varying conditions of such a licence, the Industry Regulator is to consult with and have regard to the advice of the Commissioner for Consumer Affairs and the consumer advisory committee established under Part 2.

*Proposed new section 24A—Licences authorising system control*

A system control licence is to be made subject to special conditions requiring the separation of system control business from any other business in the manner and to the extent specified in the conditions.

*Proposed new section 24B—Licence conditions and National Electricity Code*

The Industry Regulator is not to impose a condition (including a condition that would otherwise be required under a preceding provision) if satisfied that the condition would duplicate or be inconsistent with regulatory requirements under the National Electricity Code.

*Clause 24: Amendment of s. 25—Offence to contravene licence conditions*

The maximum penalty for contravening a licence condition is increased to $250 000.

*Clause 25: Repeal of s. 26*

The matter of notice of licensing decisions is now to be dealt with in a more general way (see proposed new section 28B) and section 26 is accordingly repealed.

*Clause 26: Amendment of s. 27—Variation of licence*

The amendment makes it clear that a licence variation may not involve removal of a condition that the Industry Regulator is required to impose.

*Clause 27: Substitution of s. 28*

*Proposed new section 28—Transfer of licence*

The new provision makes it clear that the same procedures and rules are to apply to applications for the Industry Regulator's agreement to the transfer of a licence as apply to applications for the issue of a licence.

*Proposed new section 28A—Consultation with consumer bodies*

The Industry Regulator may consult with the Commissioner for Consumer Affairs and the consumer advisory committee established under Part 2 in relation to the issue, transfer or variation of a licence.

*Proposed new section 28B—Notice of licence decisions*

General provision is made for notification by the Industry Regulator of licensing decisions.

*Clause 28: Amendment of s. 29—Surrender of licence*

*Clause 29: Amendment of s. 30—Register of licences*

These clauses convert references to the Technical Regulator to references to the Industry Regulator.

*Clause 30: Repeal of s. 31*

Section 31 providing for regulations relating to a system controller and the appointment or establishment of a system controller is repealed. The system controller is now to be licensed under Part 3 Division 1.

*Clause 31: Amendment of s. 32—Functions of system controller*

The power to extend the system controller's functions by regulation is removed.

*Clause 32: Amendment of s. 33—Power of direction*

The amendment spells out more precisely the powers of the system controller. A new provision is added to deal with situations where directions of the system controller are not observed. A provision is made for the recovery of costs and expenses incurred in taking action that should have been taken in compliance with a direction of the system controller.

*Clause 33: Insertion of ss. 35A and 35B*

*Proposed new section 35A—Immunity of system controller*

The proposed new section makes the system controller and the system controller's assistants immune from liability for acts or omissions in good faith in the exercise or discharge, or purported exercise or discharge, of functions or powers under the Act.

*Proposed new 35B—Variation of functions and powers of system controller in view of Code*

Power is conferred for regulations to be made to narrow or vary the functions or powers of the system controller by regulation as necessary in view of the *National Electricity (South Australia) Law* and the National Electricity Code.

*Clause 34: Substitution of Part 3 Division 2A*

DIVISION 2A—PRICE REGULATION

*Proposed new section 35C—Price regulation by determination of Industry Regulator*

The proposed new section makes provision for pricing determinations by the Industry Regulator. This provision should be read in conjunction with Part 3 of the *Independent Industry Regulator Act*. That Act sets out factors to be taken into account by the Industry Regulator in fixing prices. In addition to those factors, the Industry Regulator is to have regard to the principle that prices charged for network services in relation to the transmission network in South Australia and the distribution networks that are connected to it should be at the same rates for small customers regardless of their location. A "small customer" is defined as a customer with electricity consumption levels (in respect of a single site) of less than 160 MW.h per year.

*Proposed new section 35D—Initial electricity pricing order by Minister*

The proposed new section empowers the Treasurer to make an initial electricity pricing order. A date is to be fixed by proclamation before which any such order must be made. It will then take effect on the day fixed in the order and will not be capable of being varied or revoked except by amendment of the Act. Provision is made for public notice to be given of the order and for copies of the order to be sent to electricity entities affected and to be made available for public inspection and purchase. The Industry Regulator will be responsible for making calculations and determinations under the order from time to time and is to enforce the order in the same way as a pricing determination made by the Industry Regulator. While the order is in force the Industry Regulator's powers with respect to pricing determinations will be restricted to the extent specified in the order.

*Clause 35: Amendment of heading to Part 3 Division 3*

*Clause 36: Amendment of s. 36—Standard terms and conditions for sale or supply*

These clauses make a correction of the wording of the heading and section 36 to make it clear that the provisions apply to the sale as well as the supply of electricity.

*Clause 37: Insertion of Part 3 Division 3A*

DIVISION 3A—PROTECTION OF PROPERTY IN INFRASTRUCTURE

*Proposed new section 36A—Electricity infrastructure does not merge with land*

The proposed new provision makes it clear that powerline poles and other infrastructure of electricity entities do not pass into the ownership of the owner of the land on which they are installed because they are affixed or annexed to the land.

*Proposed new section 36B—Prevention of dismantling of electricity infrastructure in execution of judgment*

The dismantling of electricity infrastructure in execution of a judgment is prevented.

*Clause 38: Amendment of s. 37—Suspension or cancellation of licences*

Consequential amendments are made reflecting the change from the Technical Regulator to the Industry Regulator. Several minor changes are made clarifying the grounds for suspension or cancellation of licences.

*Clause 39: Amendment of heading to Part 3 Division 5*

*Clause 40: Amendment of s. 38—Power to take over operations*

These amendments are also consequential on the change from the Technical Regulator to the Industry Regulator.

*Clause 41: Amendment of s. 39—Appointment of operator*

Section 39 deals with a person appointed to take over the operations of an electricity entity in circumstances where that is necessary to ensure an adequate supply of electricity to customers. A new provision is inserted making it clear that the operator taking over operations of an electricity entity must comply with any applicable provisions of the *National Electricity (South Australia) Law* and the National Electricity Code. The maximum penalty for non-compliance with any directions of such an operator is increased from $50 000 to $250 000.

*Clause 42: Repeal of Part 3 Division 6*

Division 6 of Part 3, which provides for mediation of disputes by the Technical Regulator, is repealed.

*Clause 43: Amendment of s. 41—Appointment of electricity officers*

A power is contained in section 41 to impose conditions on the appointment by an electricity entity of electricity officers who have certain special statutory powers of entry. The imposition of such conditions is to be a matter for the Minister now rather than the Technical Regulator.

*Clause 44: Amendment of s. 43—Electricity officer's identity card*

Identity cards for electricity officers are to be approved by the Minister rather than as at present by the Technical Regulator. The section currently requires an electricity officer to return his or her identity card within 21 days after ceasing to be an electricity officer. This period is reduced to two days.

*Clause 45: Amendment of s. 45—Entry on land to conduct surveys, etc.*

The function of the Technical Regulator of authorising entry by an electricity entity onto land for the purpose of surveying or assessing the suitability of the land for installation of electricity infrastructure is made a function of the Minister.

*Clause 46: Amendment of s. 47—Power to carry out work on public land*

A general power to delegate is conferred on the Minister by a proposed new provision in Part 9. As a result special provisions for delegation by the Minister are removed from section 47.

*Clause 47: Amendment of s. 48—Power to enter for purposes related to infrastructure*

Section 47 of the principal Act sets out statutory powers for entry by electricity entities onto public land. Powers of entry onto private land, however, are acquired by electricity entities by way of easements granted by agreement or obtained by compulsory acquisition or are created by statutory easements. Section 48(1) of the principal Act doubles up on these powers by creating a general power of entry for the purposes of carrying out work relating to electricity infrastructure. Subsection (1) of section 48 of the principal Act is removed and the scope of the remaining provisions of section 48 (dealing with the giving of notice prior to entry, entry in an

emergency and entry under a warrant) is narrowed so that the provisions relate only to entry under an easement.

*Clause 48: Insertion of s. 48A—Easements and access to infrastructure for data transmission and telecommunications*

Electricity entities have powers and rights to install, operate and carry out work relating to electricity infrastructure on land that does not belong to them under section 47 of the principal Act and pursuant to statutory or other easements. The proposed new provision extends those powers and rights so that they will also be exercisable for the purposes of—

- installing telecommunications cables or equipment by attaching it to or incorporating it in the electricity infrastructure on the land
- operating and carrying out work relating to telecommunications cables or equipment so installed
- operating the electricity infrastructure on the land for telecommunications.

Under the proposed new provision those powers and rights of an electricity entity as extended to telecommunications will also be exercisable by another body with the consent of the electricity entity.

*Clause 49: Amendment of s. 53—Electricity entity may cut off electricity supply to avert danger*

A reference to the title of the Country Fire Service Board is corrected.

*Clause 50: Amendment of s. 58—regulations in respect of vegetation near powerlines*

Regulations in respect of vegetation clearance are required to be made with the concurrence of the Minister for the Environment and Natural Resources. That Ministerial title has now changed and provision is made instead for such regulations to be made after consultation with the Minister responsible for the administration of the *Environment Protection Act 1993*.

*Clause 51: Insertion of Part 5A*

PART 5A

UNDERGROUNDING OF POWERLINES

*Proposed new section 58A—Program for undergrounding of powerlines*

The Minister is empowered to prepare periodic programs for works to be carried out for the undergrounding of powerlines forming part of a transmission or distribution network.

Except as otherwise determined by the Minister, councils will be required to pay a fixed proportion of the costs of undergrounding work in their areas.

Consultations must be undertaken by the Minister in relation to undergrounding programs with councils, electricity entities, bodies (other than councils) responsible for the care, control or management of roads and other persons as the Minister considers appropriate.

A copy of an undergrounding program must be given to each electricity entity required to undertake work in accordance with the program at least six months before the commencement of the period to which the program relates.

Provision is made for the variation of a program at the request or with the consent of the electricity entity concerned.

*Clause 52: Amendment of s. 59—Electrical installations to comply with technical requirements*

*Clause 53: Amendment of s. 60—Responsibility of owner or operator of infrastructure or installation*

*Clause 54: Amendment of s. 62—Power to require rectification, etc., in relation to infrastructure or installations*

The maximum penalties for offences under these sections are increased consistently with other penalty increases provided for by the Bill.

*Clause 55:Amendment of s. 64—Appointment of authorised officers*

At present authorised officers are appointed by the Technical Regulator. Instead, under the section as amended, authorised officers will be appointed by the Minister and will be assigned to assist the Industry Regulator or the Technical Regulator, or both, as the Minister considers appropriate. An authorised officer exercising powers in relation to Part 3 or proposed new Schedule 1 (which provisions are to be administered by the Industry Regulator) will be subject to direction and control by the Industry Regulator. An authorised officer exercising powers in relation to other provisions of the Act (which are to be administered by the Technical Regulator) will be subject to direction and control by the Technical Regulator.

*Clause 56:Amendment of s. 65—Conditions of appointment*

*Clause 57: Amendment of s. 66—Authorised officer's identity card*

*Clause 58: Amendment of s. 69—General investigative powers of authorised officers*

Amendments are made consequential on the role of the Minister in relation to authorised officers and the division of authorised officers between the Industry Regulator and the Technical Regulator.

*Clause 59: Amendment of s. 70—Disconnection of electricity supply*

*Clause 60: Amendment of s. 71—Power to require disconnection of cathodic protection system*

*Clause 61: Amendment of s. 72—Power to make infrastructure or installation safe*

*Clause 62: Amendment of s. 73—Power to require information*

The maximum penalties for offences under these sections are increased consistently with other penalty increases provided for by the Bill.

*Clause 63: Substitution of Part 8*

PART 8

REVIEWS AND APPEALS

Part 8 is replaced with new provisions for reviews and appeals which differ from the previous provisions in the following respects:

- The new provisions reflect the division of administrative responsibilities between the Industry Regulator and the Technical Regulator.
- Provision is made for reviews and appeals relating to the transfer of licences (in addition to the current provisions relating to the issue, variation, suspension or cancellation of licences).
- Provision is made for reviews and appeals relating to orders given under proposed new Schedule 1 as part of the enforcement of the cross-ownership rules set out in that schedule.
- Reviews are required to be completed within four weeks.
- On appeals, the Administrative and Disciplinary Division of the District Court is now to sit with experts selected in accordance with proposed new Schedule 1A, except where an appeal relates only to a question of law.
- Further appeal from the District Court will lie only on questions of law.
- The Minister is empowered to intervene in reviews and appeals.

*Clause 64: Substitution of s. 80—Power of exemption*

The proposed new section gives the Industry Regulator as well as the Technical Regulator a power of exemption.

*Clause 65: Amendment of s. 81—Obligation to comply with conditions of exemption*

The maximum penalty under the section is increased to $50 000.

*Clause 66: Insertion of s. 81A—Delegation by Minister*

Provision is made for delegation by the Minister.

*Clause 67: Amendment of s. 90—False or misleading information*

The maximum penalty is amended to introduce an alternative of imprisonment for two years.

*Clause 68: Amendment of s. 91—Statutory declarations*

This amendment is consequential on the new role for the Industry Regulator.

*Clause 69: Amendment of s. 94—Continuing offence*

The daily penalty under the provision is increased to one-fifth rather than one-tenth of the ordinary penalty for the offence concerned.

*Clause 70: Amendment of s. 95—Immunity from personal liability*

*Clause 71: Amendment of s. 96—Evidence*

These amendments are consequential on the new role for the Industry Regulator.

*Clause 72: Amendment of s. 97—Service*

A reference to a provision of the *Corporations Law* is updated.

*Clause 73: Amendment of s. 98—Regulations*

New provisions are inserted authorising regulations to be made for transitional provisions relating to the contestability timetable and for matters consequential on the *National Electricity (South Australia) Law* and the National Electricity Code.

*Clause 74: Substitution of Sched. 1*

Schedule 1 of the principal Act currently contains consequential amendments that are exhausted. The Schedule is replaced with new schedules dealing with cross-ownership rules and the appointment and selection of experts for the District Court when hearing appeals under the principal Act.

SCHEDULE 1

*Cross-ownership Rules*

In the explanation below, a "specially issued licence" is to be taken to refer to a licence issued at the direction of the Minister under Part 3B of the proposed *Electricity Corporations (Restructuring and Disposal) Act*.

The rules contain restrictions on the connections that may exist between—

- the holder of a specially issued generation licence *and*—
  - any other specially issued generation licence, any transmission network licence, a specially issued distribution network licence or a specially issued retailing licence, or the holder of any such licence *or*
  - a transmission network in another State or Territory or the operator of such a network *or*
  - a gas trading company (a company carrying on the business of selling gas for the generation of electricity in South Australia declared by proclamation for the purposes of this Schedule) *or*
  - a gas pipeline licence (a pipeline licence under the *Petroleum Act 1940* in respect of the Moomba-Adelaide pipeline) or the holder of such licence
- the holder of a specially issued transmission network licence *and*—
  - any generation licence, distribution network licence or retailing licence *or*
  - the holder of any such licence
- the holder of a specially issued distribution network licence or specially issued retailing licence *and*—
  - a specially issued generation licence or any transmission network licence *or*
  - the holder of any such licence.

The restrictions relate to cross-ownership or control of licences, company shares or interests in, or rights in respect of, assets, whether directly or through associates.

The restrictions will cease to operate after 31 December 2002.

The restrictions—

- do not apply to a State-owned company
- do not prevent connections that are contemplated by conditions of a licence under the principal Act or that are a necessary or incidental part of operations in the electricity supply industry
- are subject to exceptions prescribed by regulation.

The Schedule, at clause 3, confers powers on the Industry Regulator to issue orders to rectify breaches of the cross-ownership rules. These orders may include orders for the disposal of shares, the suspension of voting rights attaching to shares, the termination of agreements, arrangements or understandings, the cessation of specified operations or the disposal or surrender of specified interests or rights. Non-compliance with such an order is made an offence punishable by a maximum penalty of $250 000. Further action may be taken against an offender's licence under the principal Act.

SCHEDULE 1A

*Appointment and Selection of Experts for Court*

The Schedule deals with panels of experts who may sit as assessors with the Administrative and Disciplinary Division of the District Court when hearing appeals under the principal Act.

*Clause 75: Amendment of Sched. 2—Transitional Provisions*

Clause 2 of Schedule 2 of the principal Act contains a temporary immunity from liability for damages where an electricity corporation cuts off an electricity supply or there is a failure or variation in the supply of electricity. This immunity is made to apply to electricity entities generally. The immunity will cease on the commencement of a similar immunity provision contained in section 28 of the *National Electricity (South Australia) Law*.

*Schedule*

Part 8 of the *Renmark Irrigation Trust Act 1936* contains obsolete provisions relating to electricity. This Part is repealed.

**Ms HURLEY** secured the adjournment of the debate.

## BULK HANDLING OF GRAIN ACT REPEAL 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 repeal the Bulk Handling of Grain Act 1955. 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 repeal the *Bulk Handling of Grain Act 1955*.

The core objective of the *Bulk Handling of Grain Act 1955* (the Act) is to convert the storage, handling and transport of grain in bags to a system of bulk storage. In so doing, the Act confers certain rights, powers and duties on South Australian Co-Operative Bulk Handling Limited (SACBH). The conversion to a system of bulk storage was successfully accomplished some time ago.

SACBH is a public, unlisted company limited by guarantee and thus does not have a share capital. It is required to comply with the *Corporations Law* like other companies and its Memorandum and Articles of Association are the constituent documents under which SACBH operates. The Government has no financial interest in SACBH.

Repealing the Act will—

- remove the statutory sole receiving rights of SACBH;
- remove statutory impediments to the commercial operations of SACBH;
- have some financial implications for SACBH, including a possible change in its current tax exempt status.

The 1988 Royal Commission into Grain Storage, Handling and Transport recommended removal of sole handling rights. Other Commonwealth and State legislation contains over-riding provisions or permits marketing boards to appoint authorised receivers so that, in effect, the sole receiver authority of SACBH is largely removed. In practice, however, as there has been little alternative investment in central storage facilities, the majority of grain in South Australia is still received by SACBH.

The management of SACBH believe that the commercial advantages resulting from the repeal of the Act will outweigh any disadvantages.

In 1997, as a response to representations from SACBH, the Act was reviewed to consider whether SACBH required statutory backup (as provided in the Act) given that SACBH is also subject to the *Corporations Law* and the *Trade Practices Act 1974* (Cth).

The review was conducted by a working party with representatives from growers, marketing boards and the State Government. Consultation was undertaken with press releases and wide distribution of a discussion paper. Submissions received in response to the paper were in favour of repealing the Act. Support for repeal of the Act was given by—

- the Advisory Board of Agriculture;
- the South Australian Farmers Federation;
- the Australian Wheat Board;
- the Australian Barley Board.

The working party concluded that the Act is no longer relevant in the current commercial and economic climate for the following reasons:

- it is inconsistent with a deregulated domestic milling and feed wheat market and the probability of a deregulated domestic market for stockfeed and malting barley;
- it impedes the development of more commercial operating structures to reduce costs;
- it is at variance with the recommendations of the 1988 Royal Commission into Grain Storage, Handling and Transport relating to removal of sole handling rights.

The working party unanimously recommended that the Act be repealed.

I commend the Bill to honourable members.

Explanation of Clauses

*Clause 1: Short title*

*Clause 2: Commencement*

These clauses are formal.

*Clause 3: Repeal*

This clause repeals the Bulk Handling of Grain Act 1955.

**Ms HURLEY** secured the adjournment of the debate.

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

*A quorum having been formed:*

## PUBLIC WORKS COMMITTEE: SPENCER INSTITUTE OF TAFE

**Mr BROKENSHIRE (Mawson):** I move:

That the seventy-fourth report of the committee on the Spencer Institute of TAFE—Kadina Campus be noted.

It is with pleasure that I advise the House, in particular the member for Elder, about the report of the Public Works Committee with respect to the Spencer Institute of TAFE, Kadina Campus. The Kadina Campus of the Spencer Institute of TAFE has been providing post secondary education to the Yorke Peninsula region in various locations since 1903. The Kadina Campus was officially opened on the present site in 1990 as a temporary educational village.

The Public Works Committee acknowledges that since 1990 this TAFE facility has become unsuitable for providing the necessary accommodation to meet the increasing demand for vocational education and to adequately accommodate a significant increase in student enrolments. Accordingly, the Department of Education, Training and Employment proposes to construct an integrated, single-storey facility, with a separate multipurpose workshop within the Kadina Memorial High School site to address these inadequacies. In addition, the facility will contain a joint-use community library, which will be managed by the District Council of Copper Coast. The estimated cost of these works is $5.285 million, with an expected project completion date of May 1999.

In summary, facilities to be accommodated as part of this project include: a joint-use library resource centre; classrooms and computer suites; extensive facilities for video conferencing and remote learning; a clothing and textiles facility; an engineering workshop; aquaculture and horticulture facilities; an educational management area; an administration area; conveniences; student services areas; campus bulk store; and parking areas.

On Wednesday 29 April 1998 a delegation of the Public Works Committee conducted an inspection of the existing Kadina campus of the Spencer Institute of TAFE. The delegation, which was accompanied by a very good member who is committed to Yorke Peninsula, namely, the member for Goyder (Mr John Meier, MP), was escorted through the college and examined all areas involved in the new development, including the proposed site for the new construction. Members were able to gain a clear understanding of the crowded, outdated and generally restrictive nature of the existing buildings, all of which are currently transportable, and of the difficulty in being able to accommodate the effective delivery of modern-day vocational education and training programs, particularly with respect to the use of modern technology.

More importantly, however, members noted the potentially high occupational health and safety risks associated with these buildings which were emphasised by the limited ventilation of the existing workshop area and the inadequacy of the student lounge facilities.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! There is far too much discussion in the Chamber.

**Mr BROKENSHIRE:** Thank you for your protection, Mr Deputy Speaker. The committee considers that the proposed new Kadina campus will address the current inadequacies and will enhance the provision of vocational education and training for the region. More specifically, the new facility will meet the educational demands for increased student hours and will support regional, economic and employment initiatives. Additionally, the committee understands that productivity savings will be achieved through an increase in student hours within the same staffing levels, while the increased use of technology will enhance the flexibility and the effectiveness of the educational delivery methodology of the Yorke Peninsula region.

Further, the committee was told that the new facilities will be beneficial not only to young people requiring vocational education and training but also to under represented, disadvantaged groups requiring bridging courses, and, for those of us who are older, mature age students seeking to update their qualifications. The proposed new facilities will afford the necessary access to well equipped learning and study areas, enabling the efficient development of self-paced and computer-managed program delivery so as to provide learning support implicit in contemporary vocational training.

Moreover, the committee understands that the proposed new construction will have a positive impact on families associated with the Kadina region. A significant benefit in the provision of the new facilities will be the access by TAFE and the Kadina Memorial High School to video conferencing and communication and computing technology in a new type of learning environment. Given the above and pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee reports to Parliament that it recommends the proposed public work.

**Ms THOMPSON (Reynell):** I rise to support the motion to note the committee's report and to make several points about the need for the work and the manner in which the proposal was put to us. My only sadness about speaking on this report today is that I am doing so over two months after we made the visit to the Kadina campus of TAFE. The reason for the delay in presenting this report to Parliament has nothing to do with the Public Works Committee. As indicated in our interim report, that is because a number of agencies were having difficulty in providing evidence to the committee that they had followed due processes required by law. We now have what are known as acquittals and, with the cooperation of the head of the Department of the Premier and Cabinet, we have set in place a process by which agencies bringing proposals to the Public Works Committee for parliamentary scrutiny can incorporate the development of acquittals in their original proposal.

There is no doubt that the works proposed on the Kadina campus of the Spencer Institute of TAFE are sorely needed both in terms of enabling the current educational work to be conducted in a suitable environment, one which meets occupational health and safety standards and which provides a nice, warm, welcoming learning environment, but also in terms of enabling people who have not had access to tertiary education to go to TAFE, regardless of their age. As has been mentioned, there will be programs for young people and programs for mature age people, particularly those who have not been able to get to TAFE before.

One of the courses that I am particularly pleased to note will be offered at the Kadina campus involves further emphasis on occupational health and safety for people on the land. The tragedy of deaths in rural Australia does not get sufficient attention, and the fact that many of these deaths involve children is a national disgrace. Therefore, I am very pleased that the improved facilities at the Kadina campus of the Spencer Institute of TAFE will allow greater attention to

enabling farmers and those who work on the land generally to take more account of the occupational health and safety issues involved in their work.

One of the extremely pleasing features about the visit to Kadina was the opportunity to witness the community cooperation that is occurring. The committee interviewed 13 witnesses. We expected to hear from five witnesses but, as various members of the community were able to contribute information about how the project would impact on them, and give a demonstration and evidence of the consultation that had occurred in the process, the witness list gradually grew. I record my thanks to the *Hansard* staff who came with us on that day and who managed to accurately capture the evidence that was being given from the third row in the stalls. They did an amazing job, indeed. Thank you very much to *Hansard*.

The community cooperation was evidenced by people from the football club, who came along to indicate how they were happy to share their parking facilities and their oval with the school in order to accommodate the multipurpose campus that will comprise the high school and the TAFE college, with the primary school in the middle. At the moment the primary school is not involved in the development but certainly we were able to see how community facilities in the form of ovals, recreation facilities in general and a library administered by local government could be brought together with TAFE and a high school to provide a facility that indeed will enhance the amenities available to the people of Kadina and the surrounding areas.

The other matter on which I wish to comment is the way in which the Department of Employment, Education and Training was able to provide the documentation for which the committee has been asking agencies in order to meet its commitments under the Parliamentary Committees Act. Unfortunately, some agencies have had a lot of difficulty in providing the committee with even basic information to enable a fair assessment of their proposal against the objectives of the Act. This was not so in the case of those proposing the Spencer Institute of TAFE, Kadina campus redevelopment. I also commend the people responsible for putting the proposal together, organising our visit and providing us as the Public Works Committee—and therefore the Parliament—with such a complete picture showing why this facility is needed. The way in which they have gone about this demonstrates that they are paying due regard to the need to expend public money wisely and doing so with the full knowledge of other options that might be available. Indeed, it gives me great pleasure to speak to this report and to recommend its endorsement by the Parliament.

**Mr MEIER (Goyder):** It is a real pleasure to support this motion, and I thank all the members of the Public Works Committee for the work that they have done over many months now in looking at this project and, most importantly, in coming up with the recommendation that it be approved and proceed. The Kadina College of TAFE has a long history, and my association goes back to shortly before I became the member for that area. The electorate of Goyder has changed—as all electorates have—significantly over the years and originally Kadina was not in Goyder. I was very thankful to the then Chairman, the late Mr Alf Russack, for inviting me to participate on the campus committee, which I did, and I served on that committee for some years. Kadina then became part of the Goyder College of TAFE and, again, I served on the campus committee for the Kadina campus in the Goyder College. In more recent years it has become the Spencer Institute of TAFE, again with the Kadina campus.

Kadina is not the only campus on Yorke Peninsula. We also have one at Yorketown and one at Point Pearce. It needs to be emphasised that the new buildings at Kadina will serve the whole of the peninsula. Therefore, it is an institution that will truly benefit a very large area and, accordingly, I believe the money will be well spent. It is a large amount of money—$5.285 million—$5.126 million of which the Government is contributing. I thank not only the members of the committee but also several Ministers who were very good in earlier times. I remember the first official deputation I took to the campus included the then Minister for Technical and Further Education (Hon. Bob Such). At the time Dr Such expressed some enthusiasm for the project and gave us some hope that it might proceed sooner rather than later, and all of us went away feeling somewhat confident.

The next visit to my area was by the then Premier (Hon. Dean Brown), who at the time certainly highlighted the fact that the new Kadina College of TAFE was being considered by the Government and would proceed. That was then supported by the next Minister for Technical and Further Education (Hon. Dorothy Kotz), who also visited the area and again reinforced the sentiments earlier expressed. In more recent times the current Premier (Hon. John Olsen) also indicated that the Kadina College was to proceed. Therefore, it was a little annoying that at the end of last year some questions were raised concerning whether the college would proceed because of the cost. Whilst at the time I said, 'I have complete trust in the respective Ministers and our Government that it will proceed', nevertheless, I know that it led to some members of the community writing to the Premier and possibly others seeking clarification that there would not be any problem. This motion before us makes it very clear that the new Kadina College of TAFE will proceed.

I thank everyone who has been involved in pushing for this project over many years. The fact that it is needed is without question. In fact, statistics show that the productivity of the Kadina campus has increased by just over 150 per cent since 1990: in 1990, there were some 50 444 student hours and in 1996, 126 338 student hours. This represents an average increase of around 11 per cent which makes the future prediction of 6 per cent growth both conservative and achievable, and I certainly hope that we have not underestimated the requirements of the TAFE college. Whatever the case, it will be that much larger than the present college. The original Kadina campus basically consisted of one room and a reception area; then another room was added on, and eventually a third room was added—and this was back in the Taylor Street days. It was then moved to its current site which has quite a few rooms. I think we are nearer the 20-plus rooms in the proposed new building.

It is a wonderful project for Yorke Peninsula and I know that so many young people particularly will benefit from the new campus. It is also interesting to note, I believe, that many expressions of interest are being offered or have been offered for TAFE courses in such things as occupational health, safety and welfare, visual arts, clothing and textiles, first line management, shorthand, retail trainees, hygiene and sanitation management, systems and analysis, computer programming, para-legal studies, electronics, LPG installation, advanced building studies, presenting information, client interaction, hydraulics and pneumatics. The range of qualifications and graduations that will be possible through

the redevelopment of the Kadina campus include the option of having awards in postgraduate qualification degrees, advanced diplomas, diplomas and level 1 to level 4 certificates. This TAFE campus will equal so many of the other campuses throughout the State. Courses involving areas such as rural horticulture, aquaculture, community services training, business studies and tourism—all of which have been undertaken in the past—will help the whole of Yorke Peninsula and most definitely northern Yorke Peninsula in so many ways.

I again thank members of the committee for their decision to support this project. I look forward to its construction, and I know that not only the area of Goyder but also the whole of South Australia and, in turn, the whole of Australia will benefit as a result of this decision.

**Mr LEWIS (Hammond):** It is uncommon that a member of this Chamber proposes a matter for the Chamber's consideration and then presides over the debate. I commend you, Mr Acting Speaker, for the diligence you have demonstrated in managing the affairs of the House on this occasion, as well as the brief but sensible report you presented to the House from the Public Works Committee.

*Mr Clarke interjecting:*

**Mr LEWIS:** As the honourable member may imagine, I leave him to speculate. Mr Acting Speaker, I endorse your remarks about the institution and support the comments that were made by the member for Reynell. I also strongly support the work that was done by the member for Goyder in making sure that the necessity for these facilities was properly understood by Executive Government in its assessment of budgetary requirements to provide them. Had it not been for the member for Goyder, I doubt that Kadina would now be the site of this public work. There is no question about the fact that his diligence, experience and insight, which arose from that experience, ensured that he kept the ball rolling. The people of Yorke Peninsula in general, the Mid North and the district council area of the Copper Coast in particular owe him a debt in that respect.

Not only were those facilities inadequate but also they were substandard. Not only were the people in that community unable get what you would call, in social justice terms, equitable access for the courses that they could otherwise do and, indeed, need to do on a regional industry development basis, but, when they did get access, those prospective students, who became students, and the people who had to teach them, had to work in substandard accommodation and use less than adequate facilities and equipment. The member for Goyder was not over zealous in the least but relevant and detailed in his approach to the representations he made to the Premier and Ministers in Government. I do not know why he seems to be getting it right and somehow or other I am missing out but, whatever the case, the need in the mallee is no less.

I would like to say in general that the mallee is missing out on a matter that it was promised and for which it has already been given some money. It did not come before the Public Works Committee because it is a piddling amount—it is so trivial. I refer to the immensely beneficial museum which is in the process of being established by members of the community at Pinnaroo who have put in hundreds of thousands of dollars of their own money and time. Unfortunately, they do not seem to be getting anywhere with the current Government in that quest. However, that is not the point of this debate. I simply draw the comparison, and maybe it is my fault that we are not getting anywhere. Perhaps I need to take a lesson from the member for Goyder.

*Mr Clarke interjecting:*

**Mr LEWIS:** I have no idea; that is all in the future. In any case, the further reasons for my wanting to participate in this debate are to draw attention to the way in which technical and further education in this State has responded to the rapidly emerging needs of new industries to provide education and training for people who seek a career in those industries, as well as existing industries that the member for Reynell mentioned in the course of the speech proposing that the report be noted, that is, the joint use library resource centre. It is a great idea which should be copied everywhere around the State.

I had my first experience of such a centre in school community facilities where a library of this kind was provided at Pinnaroo. The next step was Kingston, which was some 18 or 19 years ago. At Kingston, we established a community school rather than an area school, high school or primary school. It is the Kingston Community School, and it has these joint facilities not only for primary and secondary school students but also others in the community who wish to obtain qualifications and training in both formal education to the matriculation level as well as in vocational skills. That is the library resource.

There is the classroom and the computer suites, and facilities for video conferencing, and the delivery by modern technology of remote sourced learning instruction. In the vocational context the head of the list is the clothing and textiles facility, followed by the engineering workshop, which value adds to the existing production of wool in the district to enable people to develop cottage industries that have such a high measure of excellence in the products they are able to put on the market that they will get a reputation and in that boutique market will be able to recover not only the cost but a profit for the outstanding workmanship that goes in to the production of those goods.

The engineering workshop value adds to the district. It keeps the jobs there. Wherever there is farm machinery that needs repair and farm equipment that needs one-off manufacture in a custom built context, that will be met by the training skill acquisition that is available through that engineering workshop.

Then there is the important and emerging aquaculture industry, and I guess I will have the opportunity to say something about that in greater detail later. I say here and now that it provides an excellent opportunity for the Aboriginal people at Point Pearce to get the skills necessary for them to make a go of the aquaculture ventures that they can put in place around the coast and in the coastal waters of Wardang Island. That will be worth millions of dollars to the Aboriginal people there, if it is pursued in the way in which I believe it will be according to the personal contacts that I have had with members of the community where they have come to consult me about aquaculture in their immediate locality over the past ten years or so.

It has been a long time coming, and there have been some hiccups, but I am more optimistic now than ever before. I applaud their persistence in getting the training facilities established as part of this, and sharing it with everybody else, as well as their going on and establishing enterprises themselves. I do not make that remark in a patronising way. They are no different from anybody else; they have the ability. All they need is to be given the chance to acquire the qualifications that are essential and be able to get on with it.

The last point I make relevant to horticulture is that there is an opportunity to do as is being done in the Barossa, that is, at spare time on spare capacity in that pipeline take the water from that pipeline and put it into storage. It is an excellent locality as far as soil types go as well as climate. It is a maritime climate, almost identical to that of the Southern Vales, which is ideal for the production of grapes for wine. There is no reason at all why vineyards and/or olives cannot be grown there for wine production, pickling and oil. If people imagine that that can be done there just as a hobby, they are quite mistaken. It will provide training not only for people who want to go back and work in Clare but also for people who can establish a new industry in that vicinity.

**Ms STEVENS (Elizabeth):** I want to make just a few comments, because most of what needs to be said has been said. As other members of the committee have stated, I also fully support the project at Kadina. It is obviously necessary, and it was a most enjoyable project to be involved in. We were in the position of having only three members visit Kadina on the day in question—me, the member for Reynell and the member for MacKillop—and I must say—

*An honourable member interjecting:*

**Ms STEVENS:** Yes, the fiercely independent member for MacKillop. However, on this day we worked very well together. We had a most informative session. Many members of the community participated and gave evidence and contributed to the process of clarifying any issues that the committee had and justifying the need for the provision of this facility.

*Ms Thompson interjecting:*

**Ms STEVENS:** My colleague the member for Reynell reminds me that the only matter of concern that was raised by someone that day was the fact that the Premier had promised a swimming pool on this site some time ago, and we had to say, 'Well, there you go.'

I fully support the project. I am sorry that the committee has taken this amount of time to finally bring the report to the Parliament but, as other people have mentioned, this was beyond the committee's control. It is another project that had to wait until the acquittals from all three Government agencies were received. That was the only outstanding piece of information that the committee required to finally approve the project. I am really pleased that it has been approved, and I look forward to seeing the completed project.

Motion carried.

## ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: AQUACULTURE

Adjourned debate on motion of Mr Venning:

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

(Continued from 1 July. Page 1251.)

**Mr LEWIS (Hammond):** I draw attention to the contribution that has been made already by the Chairman in moving that the twenty-ninth report of the committee on aquaculture be noted and the contribution of the member for Hanson in relation to this matter. I rise now to draw attention to what I see as being the benefits of this analysis, and some of the things that have happened of which I am not at all proud—indeed, as a South Australian, I am ashamed.

In the first instance, I say straight out that my feelings of dismay, at best, are not related to the substance of the report, which is completely positive. I reiterate for members that there has already been created through the aquaculture industry (and it did not even exist here 15 years ago) more than 550 jobs in South Australia, and it has created an additional 900 jobs in other sectors of the State's economy. It is an industry which is growing rapidly, as I have always known it would, if it were just given the opportunity to exist in law. Previously it did not exist, and I drew attention to the great benefits which we could realise from aquaculture in South Australia when I was first elected to this place 18 or 19 years ago.

The species are very diverse. We are very fortunate in that we have an ideal climate for aquaculture. We do not have a freeze-over outdoors in the wintertime, and summer temperatures and humidity are such as to avoid getting, through high humidity, high levels of fungal infections in the species that we farm, to the extent that otherwise occurs in other places where aquaculture is a viable industry. We do not have as many pathogens: we are clean and free of disease, in relation to most of these species. We are also able to obtain cheap feed for those species. It means that our natural attributes reduce the cost of producing the species across a wide range which we may choose to produce in South Australia below the cost levels of our competitors elsewhere in the world. That gives us something of an advantage which offsets the current freight disadvantage that we have been experiencing, to the point where there is still some free ball available to us in any enterprise that studies the detail of the cultural husbandry needed to farm the species and get that right to an extent which provides a regular and predictable supply to a market. It was just a matter of making it lawfully possible and for the State Government, through a meagre amount of money, really, compared with the enormous benefits to be derived from it, to get it going; to seed it and get it started.

We need to recognise that aquaculture covers the production of a range of species in both sea water as well as fresh water, and also in brackish water to be found in estuaries. It covers species which thrive in any one or more of those environments, regardless of whether they are vertebrates or crustaceans and whether they have internal or external skeletons. Altogether, we are pretty fortunate to have those blessings that make it so eminently sensible for us to establish this industry here and encourage it to grow as quickly as possible. I am disappointed that we have not been able to give it more money. However, there was no existing aquaculture, so there was no existing aquaculture lobby: there was no-one saying, 'Give us a chance.' There was no-one saying, 'You are not giving us a fair go,' because they were not there. We had to have the wit to understand what benefits there would be if we did establish it and, if we did, that it was it in a way that ensured that it could be an enterprise in which small business became involved and self-employed people could take it up.

I was disappointed at the outset, too, that, during the 1980s the Government listened too much to the knockers from the Conservation Council and other green, so-called, organisations that strongly lobbied against what was clearly commonsense, saying that it was not a good idea to do this, that or the other thing because no-one was doing it and it might change the way things looked, or whatever. Of itself it was not an argument based in good science but, rather, an argument based in prejudice, and an argument which even relied upon the view that, because no-one had made a profit out of aquaculture, no-one ever could, which was silly. That is like saying that wheat should not have been grown 3 000 years

ago because no-one had ever grown wheat to make a profit. That was sad.

We then see that there is a halfway house in some of the species that we currently farm, such as tuna. That halfway house is where the stock taken from the wild fishery are then turned into very high value animals before being sold at market. It means that, instead of getting $2 or $2.50 a kilogram, at best, for high quality fish taken straight out of the water and put into a cannery, they can be sold for upwards of $50 a kilogram. Indeed, I think that the record price is now in excess of $200 a kilogram for tuna that have been fattened, as it were, at Port Lincoln for the Japanese market. When one considers that some fish weigh several hundred kilograms, one sees that that is not a bad price for an animal: instead of its being a few hundred dollars for an animal, such as an ox, in the sale yards, it is, indeed, worth hundreds of times that.

I am pleased about that aspect, but the more important thing is for us to press on with the farming of not only animals but also, if not more importantly, vegetable material in wet environments—totally submerged. I am talking about algae and other species of whatever, whether botanical, zoological, or a combination of those things. The market for that is huge and, if we adapt our tastes away from too much reliance on refined carbohydrates into the use of those algae, we will get great benefits by reducing the level of cancer in our alimentary tract from the mouth right through to the opposite end of the system, and also eliminate problems related to glandular functions, particularly the thyroid gland that some people have because of the richness of available iodine and iron in those algae, which are eaten by the tonne every day in societies to our near north.

So, even if we do not want to eat and enjoy the benefits from them, we can sell them, because our environments are free, relatively speaking, of heavy metals, and rich in the nutrients necessary for those species to grow quickly, and with such cleanliness it will further enhance the markets that we have for the animals that we sell based on those reputations.

I commend the committee for what it has done. I am saddened that members of the general public were taken on face value, though, over the way in which the tuna farmers—Raptis and Son—who could have been near Kangaroo Island were prevented from being there. That is bad news. I do not think that there was a conflict of interest whatever for the scientists on that review committee. I think that the way in which it was claimed and then consummated was wicked, and we ought to be able to do better.

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

**Mrs PENFOLD** secured the adjournment of the debate.

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## EMERGENCY SERVICES FUNDING BILL

In Committee.

(Continued from 21 July. Page 1489.)

Clause 3.

**Mr CONLON:** In terms of interpretation, I wonder about the exact meaning of clause 3(1)(c), which provides:

> a service or other activity incidental or related to a service of a kind referred to in paragraphs (a) or (b)'.

How far does that allow us to go? Will the Minister give examples of activity 'incidental or related to a service of a kind referred to'?

**The Hon. I.F. EVANS:** It might include such matters as public education and awareness that may not be part of a core service of one of the agencies. For some reason you may need to pick up, as an example, some education service to the community that is not necessarily part of the function of the SES, or whatever. This is one of the generic clauses we talked about last night when the member for Taylor raised the topic of the Royal Life Saving Society. Something may occur that might be incidental to the service but not actually part of its core service. This will help cover the one-off costs.

**Mr CONLON:** Does it contemplate any areas currently funded out of consolidated revenue and, if so, which areas?

**The Hon. I.F. EVANS:** Perhaps I can answer this question in another way. The question might be whether it will cover matters that are currently covered by the normal agencies' budgets? The answer is 'Yes', because, currently, things are covered that are not necessarily part of a core service. I gave examples of the games within fire and police services, and the MFS does some administration in relation to that. That is not part of its core service but it is incidental or related to the service. It is that sort of issue.

**Mr CONLON:** Has the Minister identified any savings that will be realised through having the fund cover things that might have come out of consolidated revenue?

**The Hon. I.F. EVANS:** Not in relation to this clause.

Clause passed.

Clause 4.

**The Hon. I.F. EVANS:** I move:

Page 4, line 5—Leave out 'a levy' and insert:
* an emergency services levy

Amendment carried.

**Mr CLARKE:** At present, insurance companies do not pay anything towards the cost of maintaining the emergency services, despite the fact that their risk exposure is minimised because the services are maintained. All they do at the moment, as I understand it, is to collect the fire services levy that is added onto the premium and then remit it to the Government, but the insurance companies themselves do not contribute to it. I would have thought that, given that the taxpayers are contributing towards the profits of those insurance companies by minimising their risk, they ought also be contributing to the cost of the emergency services.

**The Hon. I.F. EVANS:** The committee did look at that aspect. I think it is mentioned on page 88 of the report, and I refer the honourable member to that report. It may well be true that currently insurance companies pass on their costs relating to emergency services through premiums to their clients. Under the proposed levy, the insurance companies will be caught if they own property and vehicles, because they will have to contribute on the same basis as will every other property or vehicle owner in this State. Under the new scheme, it is guaranteed that they will be caught.

The Government does not intend to introduce a different levy just for insurance companies. We believe that the insurance companies under the new scheme, as will every other business, will have to contribute to the cost of emergency services based on the same terms and conditions as apply to every other property or vehicle owner in this State.

**Mr CLARKE:** I will take that point a little further. Surely it is a different situation with insurance companies, which as their business earn profits from offering insurance policies with respect to burglary, fire insurance on contents and buildings and the like. If the community is paying towards those emergency services which minimise the risk so that they can gain a profit from it, whilst they may or may not be contributing directly by owning property—they are paying something towards these emergency services—that is a mere bagatelle compared with the savings they make as a result of the community's having a fire service, a police service and the like to reduce the insurance company's exposure, for which they reap a reward, that is, a profit.

What is so wrong with the Government's tapping the insurance companies on the shoulder—I am not trying to put a particular figure to it—and saying to them, 'We want $X from you because the community generally is assisting you in reducing your exposure to risk.'

**The Hon. I.F. EVANS:** If you take that argument to its logical conclusion, one assumes you will tap the insurance industry on the shoulder for a contribution with regard to things such as health or life insurance, because Governments run all sorts of programs about being healthy and fit and trying to extend life, to prevent death and to prevent certain diseases, just as we run programs trying to prevent fire or avert the use of emergency service agencies. The Government and industry work together, and it just so happens that in this case the insurance industry benefits by some of the Government's programs because the risk it is insuring against is lessened by the Government's program.

How far do you actually extend that argument? The Government is of the view that it is too difficult to extend it to life, health and property insurance and so on but, if the Labor Party wishes to go on record and move an amendment, we will be more than happy to debate the issue.

Clause as amended passed.

Clause 5.

**Mr CONLON:** With the basis of the levy being an amount payable in respect of the value of land or a fixed charge, how can we be assured that the bulk of the levy will be assessed through a progressive method, that is, that the bulk of the levy will be raised through the capital value of land, taking into account the area use factors that have been identified? What protections are there, and what assurances can we have that the bulk of the levy will be raised in that way and that the use of a fixed charge will be minimised?

**The Hon. I.F. EVANS:** It is certainly the intention of the Government to raise the majority of the levy through the capital value component, not the fixed component. If you are asking for a guarantee in stone or blood, I cannot give you that, but the reason the flexibility is there is that you may wish to charge only in some of the regional areas where risk and cost of services are very low. You may actually find it administratively far cheaper simply to apply a $10 or $20 fixed fee rather than going through the process of using the capital value. It is really to give flexibility in the low risk, low cost, very remote areas.

**Mr CONLON:** I will be more specific. I do not want a guarantee in concrete. I saw John Olsen do that a few years ago and it did not win him any elections. I certainly do not want anything written in blood. I just want to know whether there is any method in the Bill to provide for scrutiny of the levies to ensure that the proper proportion comes from the capital value levy.

**The Hon. I.F. EVANS:** I do not know what the honourable member means by the 'proper proportion' coming from capital value. That would differ from individual judgment to individual judgment. The honourable member is aware that both major Parties have indicated amendments to provide more parliamentary scrutiny of this legislation, and ultimately that is an issue to be raised by question in the Parliament when that parliamentary scrutiny occurs. I understand the point made by the honourable member. We have made it flexible so that, if a Government down the track wants to use only the fixed charge in remote areas, the flexibility is there.

**Mr CONLON:** What provisions are made in the Bill to give concessions or protection to those who may be on fixed incomes, in particular those on the aged pension—but anyone else on a fixed income, particularly a low fixed income—against their having to pay the full amount of the levy? Will there be concessions for the low paid and those on low paid fixed incomes, and how will they operate?

**The Hon. I.F. EVANS:** The concessions issue has been a difficult one for the committee and the group working through this issue to resolve. Under the current system, through the insurance industry, there are no concessions available for the people whom the honourable member described who may be on fixed or low incomes. Those people who are on fixed incomes and who are currently insured and paying a premium under the current system do not get any concessions.

The Bill through regulation would allow for concessions to be granted if that was the wish of the Government of the day. At this stage, the Government's stance is that the modelling we have done indicates there would not be a concession at this stage, but we are still modelling. The regulations available under clause 31 would allow for concessions if that was the wish of the Parliament or the Government of the day, but at this stage we are picking up the same principle that is implemented under the system currently in place, and that is that concessions would not apply.

**Mr CLARKE:** I want to take the matter of concessions a little further. It does not surprise me but it does concern me greatly that the Government is not making any provision whatsoever for concessions to low income earners and particularly those on aged pensions and the like, because one of the reasons that the Insurance Council of Australia has put forward to the Government—and the Government has accepted the reasons as to why we should have this type of funding arrangement—is that approximately 40 per cent of people are under-insured or not insured at all. The reason for that is fairly simple in many respects: they do not have the money.

I cited an example yesterday with respect to contents insurance. Many people rent housing, either private or public, and they might have goods and possessions worth less than $5 000, including yours truly. When one seeks to take out a contents insurance policy, the minimum cover is $20 000, with a premium of approximately $250. That means that I am subsidising those who are fortunate enough to have contents worth $20 000 plus, because there is a minimum charge. No wonder people do not take out the insurance: it is easier to replace your video recorder if it gets nicked than to pay the insurance premium. Why will not the Government build into this legislation, or give a commitment to, concessional treatment for persons on low incomes, exactly the same as the Government does by executive action with concessions for pensioners for water rates, council rates and the like? We are

talking of significant sums of money that will be levied in this area, and it will be a huge impost on people of limited means.

Currently 40 per cent of the population do not insure their property. They do this not because they want to take a gamble that they will not be robbed or that their place will not burn down but, rather, because in the main they cannot afford the insurance premiums. So, if we are to levy them and not give those persons on limited means some concessions, it is a double whammy. They are paying nothing at the moment and have nothing with which to pay. What will the Minister do about it? What were the Cabinet discussions around the table that led to the Government's decision not to offer any concessions? It must have been considered, surely, and if it is to be discarded I want full reasons as to why the Government at this stage has a view that it will not offer concessions to those on limited means.

**The Hon. I.F. EVANS:** I understand the point the member for Ross Smith makes. When the emergency service agencies attend, whether it be a car accident involving a pensioner or someone on low income, or whether it be a fire at the property of someone of limited means, the cost is ultimately the same for everyone. The people described, who are involved in the existing system of providing emergency service premiums through their insurance premiums, are already paying the full amount and get no discount. So, at least 70 per cent of people (31 per cent are uninsured, not 40 per cent) are contributing on a non-discount basis.

The honourable member made the point that some people on low incomes do not take out insurance. That may well be true. Some would argue that some people on low incomes are more highly insured because the asset they are living in is one of the few assets they have and they protect it to the best of their ability by taking out insurance. So, the argument runs both ways. I will be interested to see evidence of what the honourable member states. It may be that people on low incomes with few assets take the measure to protect their asset by insurance, therefore contributing full tote odds to the current emergency services levy, the fire levy, on insurance.

So, it is a vexed question. The modelling done by the committee was done on a 'no concession' basis because that was the way the existing system worked. If a future Government wishes to bring in concessions, regulations under section 31 and through the various Acts available enable it to do so. The modelling done at the moment is for no concessions.

**Mr CLARKE:** The Minister's logic does not follow because those on limited means who may be fully insured are getting no relief. There are no progressive measures in this, because we are finally catching up with those who are under insured or uninsured at the moment but on significant salaries or income; but, following the Minister's argument, for those on limited means but paying full tote odds to cover what scarce assets they might have, there is no relief in terms of concessional payment.

The Minister is a bit hard on those on limited means by offering them no concessions, but in relation to my earlier question on clause 4 the Minister is happy for insurance companies to make a profit from underwriting fire, burglary and car insurance and the like. I am not asking them to contribute over and above what their emergency services levy might be towards the fact that the community overall is assisting them in making a profit. However, the Minister is saying to the pensioners, 'No concessions'. Where is the logic in that?

**The Hon. I.F. EVANS:** The member for Ross Smith missed the point that under the current system someone who is insuring is already paying an emergency services levy, and when the new system comes in that amount comes off, whether it be 8 per cent in the CFS areas or 16 per cent in the MFS area; so they do not pay out that amount. There is a benefit to people currently insured, whether or not on low income, because they no longer have to pay out the 8 or 16 per cent of premium to the CFS or MFS. That is deleted from their insurance cost and there is a saving to them there. There is a cost with the new levy. There is a benefit back and a recharging.

**Mr CLARKE:** What steps will the Government take to ensure that the insurance companies reduce their premiums by the surcharge that they currently apply? I may be a suspicious person, but for a few years I worked in the insurance industry as an insurance broker and I have a healthy scepticism of private insurance companies. I would hate to see a pea and thimble trick by which the private insurance companies just simply wrap up their fire services levy that they now pass on to the Government and leave it there simply to form part of the premium so that it is a windfall profit for them and the average punter still has to pay the emergency services levy. What step is the Minister taking either legislatively or administratively to ensure that the insurance paying public get a full rebate on the fire services levy or whatever is currently applied to their insurance policies and to ensure that it does not turn into a windfall profit for insurance companies?

**The Hon. I.F. EVANS:** The Government is aware of the honourable member's concern that the insurance companies may get a windfall gain. We are negotiating heads of agreement and have started negotiations with the Insurance Council of Australia on heads of agreement for a contract providing for an independent audit to come in and ensure that the correct reduction of the current emergency services levy comes off the then premium. We are doing it through a heads of agreement contract independent audit.

Clause passed.

Clause 6.

**Mr CONLON:** I note that this clause breaks the State into emergency services areas. Will there be a significant difference between property levies in those areas, and how significant a difference will there be?

**The Hon. I.F. EVANS:** It is a broad question. The report (if the honourable member has read it) breaks the State into emergency service areas—Greater Adelaide and two or three regions. The report picks up a weighting for the area a person is in, and the weightings are explained in the report as regards the cost of services, and so on. An area such as Greater Adelaide, which takes in, for instance, the Adelaide Hills with its bushfire risks and which implies a higher cost of service, will ultimately pay a higher rate than in the case of someone at Oodnadatta, where there is a lower cost of service. There will be a difference in the rates or the levies, but that depends ultimately on how much money needs to be raised in next year's budget. The report clearly sets out the proposed weightings that are applied to this sort of concept.

**Mr CONLON:** I appreciate the Minister's referring me to the report, but one of the few compensations of being in Opposition is that we get to ask questions of the Minister about his Bill. I want to know whether people in Greater Adelaide will pay more than people in Regional Area 1 and, if so, by what proportion. How will it work? It is the Minister's Bill. Please do not refer me to a report.

**The Hon. I.F. EVANS:** I refer the honourable member to page 98 of the report. In that report, it is suggested that Greater Adelaide would have a weighting of 1, so those people would incur a higher cost, and that is due to the cost of the service. In region 1, it will be .8 ; in region 2, it will be .5; and in region 3, it will be .2. Those are the weightings that are proposed in the report. The Minister of the day has to proclaim those weightings every year. If a huge industrial development like Roxby Downs develops over five or 10 years and the weighting needs to be changed, the Minister of the day may proclaim a different weighting. As the honourable member knows, we will be discussing parliamentary scrutiny down the track, and that matter could be open to questioning at that point. I simply cannot put a dollar figure on the difference in the weighting system until the budget is set next year.

**Mr CONLON:** The Minister has raised the point that highlights my concerns about this, in that there will be very great differences in the regions. I note that this clause allows the Minister by proclamation to revoke one or more areas. I understand that the original areas are set by the Bill and the schedules, but by proclamation they can be revoked. It seems to me that, by proclamation, the Minister could take people from a weighting of 1 to a weighting of .2. It is a pretty serious power, so should it not have better scrutiny by Parliament than merely by proclamation?

**The Hon. I.F. EVANS:** I would argue 'No', because ultimately we are open to questioning in Parliament, anyway, as the honourable member is well aware. The weightings relate to, essentially, the cost of the service—

*Mr Clarke interjecting:*

**The Hon. I.F. EVANS:** I am trying to answer. If you keep quiet you might hear me.

*Mr Conlon interjecting:*

**The CHAIRMAN:** Order!

**The Hon. I.F. EVANS:** If you think that I am not going to tell you the truth, don't ask me the questions. If the weightings need to change, they need to be changed in relation to the cost of delivery of the service. The example that the honourable member used where a town could be taken out of the Greater Adelaide area and suddenly put into the lowest cost area could occur only if the Minister of the day could justify that the cost of the service had changed to that extent.

Clause passed.

Clause 7.

**The Hon. I.F. EVANS:** I move:

Page 6, line 25—Leave out 'Minister' and insert:
Valuer-General

Amendment carried; clause as amended passed.

Clause 8.

**The Hon. I.F. EVANS:** I move:

Page 7, line 11—Leave out 'Minister' and insert:
Valuer-General

Amendment carried; clause as amended passed.

Clause 9.

**The Hon. G.M. GUNN:** I move:

Page 8, after line 11—Insert:

(5a) After the first notice declaring a levy under subsection (1) has been published in the *Gazette*, the Governor must not declare a further levy under that subsection in respect of a subsequent year unless—

(a) the amount of the levy is the same as, or less than, the amount of the levy declared by the first notice; or

(b) the notice declaring the levy has been authorised by resolution of the House of Assembly.

The purpose of this amendment is to give Parliament the ability to question and to approve, if necessary, any increase in the levy in the future. I am one of those people who believe that it is too easy for Governments to increase charges, taxes and levies, and that the proper role and function of this Chamber is to vet that course of action. My amendment gives Parliament that opportunity, and the Government of the day will have to justify its actions on the floor of this Chamber; it will have to account for them, and the public will be fully aware of them.

**Mr CONLON:** The Opposition opposes the amendment. I foreshadow that amendments in my name will seek to insert a new Division 3 in the Bill which addresses far better the subject of scrutiny. I will address my remarks to some of the difficulties that I see with the proposition put by the member for Stuart and make some reference to why I think the process that we have suggested is better.

There is one fundamental problem with the amendment, and that is that the first levy struck by the Minister has no scrutiny whatever. Call me cynical but, were I the Minister faced with an amendment like this, it could possibly oblige me to use bad public policy, and that would be to raise more than I need in the initial levy knowing that I might have difficulty increasing it in later years. That is not a good motivation to put in legislation. In my view it leads to a strong motivation in the Minister not to address what he believes are the needs of emergency services in any one year but to address the needs of emergency services plus a loading to take into account any increases he might need, without having to face the impediment of its being dealt with by Parliament.

I do not think that the scrutiny of Parliament on every occasion a levy is increased is necessary or even correct. It may well be that with respect to the levies, if set correctly initially, and if we go through the ordinary inflationary processes that we have seen in this country over the last 30 years (although I admit that we have had periods of negative inflation), the best public policy would be to adjust the initial levy for the ordinary increase in costs that occur in a western democratic capitalist society and for that not necessarily to be the subject of scrutiny of Parliament every year. As I said, the outcome of this amendment would be an initial setting of a levy, much above that which is needed, to save the Minister the difficulty of going through Parliament.

The second point is that, if members look at the amendment standing in my name, they will see that it creates a division 3 which would refer the levies to the Economic and Finance Committee for its scrutiny. First, it is a far more detailed process than that which is set out in the member for Stuart's amendment, which appears to be no process at all. It provides:

the notice declaring the levy has been authorised by a resolution of the House of Assembly.

That is an extremely inexact piece of phraseology to have in legislation. I am not at all clear what it means, and certainly I can think of no other Act that uses any wording as unclear as that. My amendment to this Bill is modelled on the legislation that currently governs water levies. Basically, if the Minister is right, he need never trouble the House with it. The committee will look at it, if it sees nothing wrong with it, it will say nothing and the matter will pass the House. However, it has a detailed mechanism setting out how it operates if the scrutiny of the Economic and Finance

Committee shows that some questions need to be raised in any particular year.

From my understanding of the Economic and Finance Committee, this will hardly be an onerous piece of scrutiny. In ordinary events, usually the Government has the numbers or, with its friends it has the numbers—and we have certainly seen the Government's friends in operation in this House today. It has little to worry about from the fiercely independent member for Gordon who is leaving the Chamber—we saw that today. What we say is that it would be better public policy to adopt the procedure we have suggested. It will give the Minister the freedom to set the levy every year as long as he does not do something egregiously wrong. For example, it will not need to be brought to the House for resolution every time the Minister wants to increase it due to the effects of inflation.

The Economic and Finance Committee has shown an ability to ask questions that would not be asked in the House if this matter were brought before it. Members of the committee can ask questions in a rather more quiet environment and often they are satisfied and nothing more occurs, but it gives it a degree of scrutiny and some hope that we will satisfy our duties as a Parliament to ensure that we impose proper taxes and levies.

I ask members not to support the member for Stuart's amendment. However, on the basis that members support the amendment, I foreshadow my amendment to create a new division 3. It is a far better system of scrutiny. It also allows scrutiny of large capital expenditures out of the emergency services fund, which is a further necessity we have not addressed. Let us face it, if we are to be honest the two fears about this are, first, the Government's raising more than it needs for emergency services—and I am sure the member for Stuart is motivated by that. By the look of it, the honourable member is more worried about us than his own mob, and I am not quite sure why that is so. We have much better personnel on this side than the honourable member enjoys on his side.

**Mr Venning:** You have to be kidding!

**Mr CONLON:** Just to prove my point the member for Schubert interjects. The Opposition rests its case. We offer a better system of scrutiny. As I said, the fear is that the levy will be increased or it will be set at a figure higher than is necessary. Is that not the fear of the member for Stuart? If that is the case, this amendment does not address it because the initial levy can certainly be set higher than is necessary—and you cannot do anything about it, Graham.

Secondly, the other great fear is that the fund may be spent in areas that are inappropriate. They are hypothecated funds, which gives some protection, but my great concern—and I have to say to the member for Stuart that he should be concerned about this—is the very great likelihood that, having seen no allowance in the current budget for a Motorola Radio Star link contract, which we are told by the Treasurer is worth some $150 million to $200 million—and please do not get into me about that, because that is what Rob Lucas has said not what I have said—perhaps the Government wants to pay for it out of this emergency services levy.

If the Government is thinking about wasting the public's money paying $150 million or $200 million—a great deal of which goes to Motorola out of some sort of slippery deal that it has found itself in—we do not want the Government imposing that on the already suffering taxpayers of South Australia by way of a backdoor method through the emergency services levy. The scrutiny with which we will be happy is that which does not allow the Government to raise more than it needs and that which allows us to look at those capital expenditures to ensure that it is not trying to fit us up on it. I oppose the amendment on the basis of my amendment to clause 10, which is a much better and a much more detailed amendment and which better serves the purpose of good public policy and which would be added as a new division 3 to the Bill.

**Mr CLARKE:** I would like to know where the 'Lion of Colton' is, because I would like to remind the Committee of what the member for Colton said last night. Where is this Tarzan who I predicted, accurately again it would appear, would turn into a mickey mouse when he was put to the moment of truth? Last night the honourable member said:

> I will not support the Bill unless these amendments—

that is, his own amendments—

> to safeguard the public are carried. I will not be a party to creating another level of tax collection by this Government. It is important that, if we are to provide services, we provide the very best and, when we come to clause 9 this evening, I will move these amendments to the Bill. If they are not adopted, I will cross the floor and vote against the provision.

Well, 24 hours is indeed a long time. The honourable member makes the member for Gordon look like he has a spine of steel by comparison.

*Mr Conlon interjecting:*

**Mr CLARKE:** I'm sorry, yes, he is down there jumping in front of the groyne, the bulldozer or doing something. Once again when the member for Colton is put to the test, his test, he rips out a machete and cuts his own throat as far as his own credibility is concerned. Let us look at the 'Lion of Colton's' proposed amendment in respect of this clause, which was distributed but which I understand has been withdrawn in favour of the member for Stuart's amendment. The 'Lion of Colton's' amendment provides:

> Page 8, line 11—Leave out subclause (5) and insert subclauses as follows:
> (5) The notice must include—
> (a) a statement of the amount determined under subclause (4);

Subclause (4) of the Bill provides:

> The Minister must, before making a recommendation to the Governor under subsection (1), determine the amount that, in the Minister's opinion, needs to be raised by means of the levy under this division to fund emergency services in the relevant financial year.

The member for Colton's amendment further provides:

> (b) a statement of the proposed expenditure from the community emergency services fund for the year to which the notice relates in respect of each of the purposes referred to in section 26(4).

And that lists all the various emergency services. The honourable member's amendment also provides:

> (5a) The Minister must, as soon as practicable after the publication of a notice under this section, cause copies of the notice to be laid before both Houses of Parliament.

I emphasise 'both Houses of Parliament'. Of course, the member for Stuart, who as we know says that he is very suspicious of Government, is also a toothless tiger in respect of keeping Government accountable. In lieu of the 'Lion of Colton's' amendment—

**The CHAIRMAN:** Order! The member will refer to the honourable member as the member for Colton.

**Mr CLARKE:** Sorry, Sir. The member for Stuart's amendment provides:

> (5a) After the first notice declaring a levy under subsection (1) has been published in the gazette, the Governor must not declare a

further levy under that subsection in respect of a subsequent year unless—

(a) the amount of the levy is the same as, or less than, the amount of the levy declared by the first notice;

As the member for Elder pointed out, that would mean that, in a Government's first year in office, the Minister could wack up the levy as high as possible to sustain it for the next four years. However, the real test is paragraph (b) of the honourable member's amendment, as follows:

(b) the notice declaring the levy has been authorised by a resolution of the House of Assembly.

It would be authorised not by both Houses of Parliament but by the House of Assembly, because, as we know, for the past 22 years the Government of the day has not enjoyed a majority in the Upper House and it could be disallowed by an Opposition of the day. It would have to be disallowed in the House of Assembly and, in effect, you would have to vote against your own Government. For there to be scrutiny, members opposite would have to bring down their Government or vote against their own Government on the setting of this emergency services levy.

This is the toothless tiger of an amendment put forward by the member for Stuart to save the member for Colton from his own amendment. Less than 24 hours ago, the member for Colton said that, if his amendment which provided for scrutiny by both Houses of Parliament did not get up, he would cross the floor. The member for Colton is not even here to defend his backflip, his pirouette or his gymnastics that would have done proud that young Romanian girl who won so many Olympic gold medals in 1976.

*An honourable member interjecting:*

**Mr CLARKE:** As the member for Elder said, the member for Colton always ends belly up when he tries to stand on points of principle. As I said, he makes the member for Gordon look like a paragon of virtue when it comes to standing up for integrity, decency and having a spine of steel. Like other members on this side of the Chamber, I will be interested in finding out what has happened to this Lion of Judah who said last night that he would march across the floor and oppose this Bill if his amendment was not accepted. What did the Minister say to him that has so convinced him to withdraw his amendment in favour of the member for Stuart's amendment? What is so different today from that which applied yesterday, when the member for Colton was emphatic that if his amendment were not successful he would cross the floor and oppose the Government?

Is it that the Government could not accept another division in its ranks where yet another of its members crosses the floor to oppose an important Government measure? I simply say to the member for Stuart: do not try to pretend that you are the poor innocent country boy who has a healthy scepticism of governments of the day and who thinks they might just ratchet up the levy without parliamentary scrutiny, because we know you are not that. You are trying to save the member for Colton from himself and his chest beating about his own amendment.

The member for Stuart's amendment does not do what he say it does. It provides that only the House of Assembly can vote against the measure. Of course, the government of the day usually has the numbers in its own right, or it has friendlies or clone Liberals, in the form of the members for MacKillop and Gordon. I simply say to the member for Stuart: let the member for Colton do his own dirty work.

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

**Mr McEWEN:** The amendment before us and the foreshadowed amendment to clause 25 would have the same result. My reading of it is that we are talking about checks and balances and the opportunity, at the end of the day, for this House to have some say about any variation to the levy. The first issue is the initial levy—the initial quantum—and I believe that guarantees are in place in terms of the initial levy, and no-one will inflate that. So, I am not particularly concerned about the problems that were foreshadowed by members opposite earlier in terms of the stepping off point.

The next question is how we bring checks and balances into place in relation to increasing that levy. We heard that there were some difficulties with the amendment proposed by the Hon. Graham Gunn because, at the end of the day, the decision will be made, if there is any dissent, by the House of Assembly. I struggled with the criticism of that provision, because exactly the same effect would be created by the foreshadowed amendment in the name of Patrick Conlon. New section 25A(6) provides:

If the House of Assembly passes a resolution disallowing the notice, the notice will cease to have effect and will be taken never to have had effect.

So, in effect, in terms of the foreshadowed amendment, the tracking was different but, ultimately, the umpire was the same House. So, I am having some difficulty with criticism of paragraph (b) of the Gunn amendment, because I believe that it is doing exactly the same thing as would the Conlon amendment. The only question in my mind is whether or not the Economic and Finance Committee should become part of the equation.

Under the Water Resources Act 1995, the Economic and Finance Committee is part of the equation—as it should be—because the origin of that levy is the Catchment Water Management Board, which is not elected: it comprises a group of people who find themselves in that position because the Minister so chose. So, the checks and balances then are that a committee of Parliament, for the first time—an elected group—has an opportunity either to give it a tick or to refer it on.

In this case, it is not an un-elected committee that sets the original levy: it is the Minister. So, I wonder about the merit of tracking this matter through the Economic and Finance Committee. And, notwithstanding the criticism of the amendment that we are debating, I would suggest that this is as good as, or even better than, the amendment that has been foreshadowed by Patrick Conlon. So, I would be interested to hear how the Opposition accommodates the fact that, at the end of the day, both amendments achieve the same end in that it is this House that makes the final decision.

Amendment carried.

**Ms WHITE:** I want to ask the Minister a question that I foreshadowed in my second reading speech. In declaring a levy, the Minister would be mindful, at least in the initial year, that there would be a subsequent change, or a corresponding change, to insurance premiums, presumably because the component that funded these sorts of services under our insurance premiums has been removed. What impact will the levy have on the total amount of insurance premiums? In other words, will insurance premiums be reduced by the amount currently contributed towards the fire levy, or will the Minister manipulate those premiums in any way to adjust for the impact of the levy being collected in a different way?

**The Hon. I.F. EVANS:** I have already answered a similar question from the member for Ross Smith under a previous clause: the member for Taylor was not here at the time.

Essentially, the Insurance Council of Australia and officers from my department have already started discussing a heads of agreement contract, if you like, about how the transition requirements will be handled between the insurance industry, the Government and the customers, and the heads of agreement is looking at putting in place a provision for independent audit to guarantee that the insurance industry does not unduly benefit by the transition. In other words, in relation to the amount that is currently being collected as a fire service levy, the heads of agreement will make sure that that is properly dealt with.

**Ms WHITE:** But an independent audit just tells one what is happening: it does not mean any action by the Government. My question to the Minister is: will the Government take any action to ensure that insurance companies do not just pocket the profit they would make if they did not decrease premiums by the amount of the fire levy now imposed on constituents?

**The Hon. I.F. EVANS:** Maybe I did not make it clear. I said that my officers, on behalf of the Government, are intending to sign a heads of agreement—a legally binding contract—with the insurance industry to deal with the transition provisions, and one of those provisions will be the treatment of the current fire service levy and how that is credited back, or dealt with, in respect of customers.

*Mr Clarke interjecting:*

**The CHAIRMAN:** Order!

**Ms WHITE:** What specifically will be the requirement on insurance companies? Will it be to decrease the premiums by an amount equal to the charge under the fire levy, or will it be to decrease the premiums by a proportion of the amount now charged under the fire levy? What specifically is the Minister intending to do?

**The Hon. I.F. EVANS:** Under the existing legislation, the insurance industry has an obligation to collect a certain amount of fire service levy. Under the proposed emergency services levy, which replaces the existing scheme, the insurance industry no longer has a right to collect that money and, therefore, it simply cannot charge it. What that means is that, apart from the legislation protecting the fact that companies cannot charge it, the heads of agreement will have to protect that, and the independent auditor is there to provide an independent view to make sure that they have not charged it.

**Mr CONLON:** I was intrigued by the answer of the Minister that there would be a contract with the Insurance Council that would provide protection in this sort of matter. I have not been involved with contracts for a while, but I understand that in the common law of this country there is still something known as privity of contract. How does an ordinary ratepayer, or insurance premium payer, aggrieved by the failure of the insurance company to pass on that saving sue upon this contract that the Government has with them?

**The Hon. I.F. EVANS:** I said that we have opened discussions with the insurance industry about the treatment of the existing fire service levy. If it is proven by the independent auditor that companies have collected the money when they have no legal right to collect it, ultimately people will have to be refunded. That is why the independent auditor is there.

**Mr CONLON:** I will ask my question again. I understand what the Minister has said but, a moment ago, the Minister said—and I will hold him to this—that the contract offers some protection. I think the Minister said that he will enter into a legally enforceable contract with them. Will the Minister concede that no-one has any rights under that contract except the Government: that is, no person who is aggrieved by it can sue. Is that right or not?

**The Hon. I.F. EVANS:** Let me make it clear: we are negotiating with the Insurance Council of Australia to sign a heads of agreement so that, apart from the law providing protection in that insurance companies cannot collect it, an independent auditor will ensure that insurance companies have done the right thing and not charged the current fire service levy past 1 July 1999. And, if there is an over-charge between now and 1 July 1999, there is a refund provision.

**Mr CLARKE:** The Minister's answer is a nonsense, because it is based on a heads of agreement that no-one in this House has seen. If we take the Minister's word that, at this stage, it has not been signed and that negotiations are still under way, then, in theory, he is saying that he will sign a heads of agreement which is legally enforceable between the Government of South Australia and those insurance companies and that the fire service levy which companies now collect will be passed back to the consumer. We have not seen that agreement and, as the member for Elder points out, as someone who pays an insurance premium, if I am ripped off, I will have no standing in that contract to represent my interests in the court to see that that money is passed back. I will have to rely on the Government of South Australia to action a legal claim. And given that you have shown no propensity whatsoever to enforce your legal, enforceable contractual rights under the bloody water contract, why should we have any faith in you whatsoever?

**The Hon. I.F. EVANS:** The member for Ross Smith would have us believe that, if any business charged something which under the law they do not have the right to charge, you cannot recover it.

**Mr Clarke:** There is nothing in the law that says that.

**The Hon. I.F. EVANS:** This Bill deletes the right of the insurance companies to charge the existing fire service levy. Companies can no longer charge it. Under the schedule, companies are also required to make refunds. If, in one or two years, they continue to charge the existing fire service levy, they are breaking the law and will be dealt with as would be any other company that broke the law.

**Mr CLARKE:** If an insurance company simply deletes from its premium notice 'fire service levy' and includes 'this is now the all-up premium that you pay for this cover', is that breaking the law? How does the legislation prevent companies from doing that? Show me the clause.

**The Hon. I.F. EVANS:** That is exactly why we will appoint an independent auditor. An independent auditor can check that exact point and then take an opinion to the Government, or to the person who is being overcharged, so that the matter can be properly dealt with. If the member for Ross Smith is not happy with that system, I suggest that he move an amendment to improve it.

**Mr HILL:** Will the Minister guarantee that under the new system insurance policies will be cheaper?

**The Hon. I.F. EVANS:** It might have escaped the attention of the honourable member, but I do not set insurance premiums. The insurance industry sets insurance premiums. We are setting in place a process whereby an independent auditor can check that the fire service levy that is currently being charged is no longer charged.

**Mr HILL:** That is fine, but there is no guarantee. Regarding clause 9(2), which deals with the setting of the levy, will one formula for setting levies be established across the whole of South Australia, or will there be different

components of the levy for different parts of the State? Have I made myself clear?

**The Hon. I.F. EVANS:** No.

**Mr HILL:** Under the clause which deals with the basis of the levy, there are three ways of establishing a levy: by fixed charge; by percentage of the value of the land; or a mixture of both. I understand that it will be different in different areas because of other reasons, but will the same components apply in each of the geographic areas—the same proportions?

**The Hon. I.F. EVANS:** No. My understanding of the Bill is that, if the Government of the day so wished, it could, for instance, apply a fixed rate in one area and—

*Mr Hill interjecting:*

**The Hon. I.F. EVANS:** —this question has previously been answered—a fixed rate/capital value in another area.

**Mr HILL:** In other words, in an area such as Stirling, where the property values are quite high, there would be a fixed amount and a relatively small proportion of value and, in an area such as Aldinga, where the property values are quite low, there would be a high fixed charge and a relatively low proportion of the value of the property.

**The Hon. I.F. EVANS:** One could easily argue that it could be the other way around—a high value as opposed to a low value. Ultimately, if a Minister—

*Mr Clarke interjecting:*

**The Hon. I.F. EVANS:** It might have escaped the attention of the member for Ross Smith that, in fact, Stirling is tied to the whole of the metropolitan area of Adelaide. If that situation applied in Stirling, it would apply to the vast majority of the populated metropolitan area of Adelaide—right through to the Barossa Valley. If the Minister of the day decided to do that, under Mr Gunn's amendment, it would ultimately be answerable to the Parliament and the Parliament could overturn it.

*Members interjecting:*

**The CHAIRMAN:** Order!

Clause as amended passed.

Clause 10.

**Mr CONLON:** I move:

Leave out this clause and insert:

Liability of the Crown

(1) The Crown and its agencies and instrumentalities are not liable to pay a levy declared under this Division.

(2) However, the Crown must pay into the Community Emergency Services Fund in respect of each year in relation to which a levy is declared under section 9 an amount that is equivalent to 20 per cent of the amount determined by the Minister and published in the notice declaring the levy under section 9(5).

(3) Subsection (1) does not apply in relation to a notice disallowed under Division 3.

Let me apologise to the Committee in advance in explaining my amendment. If my concentration is not what it should be or my arguments appear a little disjointed, I lay the blame at the Government's handling of this debate. I take this opportunity to vent my spleen in relation to the way in which this matter has been handled. Today I have received about seven different pieces of advice from the Government as to when we will debate this Bill, when we will not debate this Bill and when it is on or not on. For once I do not blame the Minister. Whoever is running the Government does not seem to know. I am a bit puzzled as to why, at 5 o'clock—

*Mr Clarke interjecting:*

**Mr CONLON:** I will cite the whole set of events. This morning my office received a call advising that the ETSA debate listed for today is not on but the Emergency Services Funding Bill is. The House deals with a few other matters, we get to the Emergency Services Funding Bill and the Minister says, 'It will start just after 5 o'clock, but we will go to the ETSA Bill at 6 o'clock.' I think, 'This is a bit odd.' I take into account that last night we dealt with the City of Adelaide Bill for 10 minutes. By 5.30 the instructions have again changed. I do not know about it. I find out just before we resume at 7.30 p.m. I am told, 'We will deal with this Bill until 9 o'clock and, if we finish it before then, we will deal with something else until 9 o'clock and then ETSA will come on.' I am a bit puzzled as to what is wrong with this ETSA Bill that the Government is so absolutely adamant—

**The CHAIRMAN:** Order! The member for Elder has made his point. He might like to debate the amendment.

**Mr CONLON:** Let me finish by saying that twice today we have seen the unsightly influence of the so-called Independents. The simple matter is that we are being stuffed around dealing with legislation because this Government does not know how to deal with the Independents and, at present, is running its parliamentary program to suit them. By golly, I wish I could put the word 'Independents' in quotation marks. Could I have it appear in *Hansard* in that way?

**The CHAIRMAN:** Order!

**Mr CONLON:** This amendment—

**The Hon. G.M. Gunn:** I thought that you were a charitable fellow.

**Mr CONLON:** I am a charitable fellow but sometimes even I reach a limit. Clause 10 deals with the levy on real property which, as we know from the Minister's advice in Estimates and other places, is to make up the bulk of the fund raised under this Bill. I believe it will be in excess of 90 per cent but I will leave that for the Minister to tell us.

Undoubtedly the bulk of the money raised by this Bill will be through the real property levy. At present clause 10 allows the Government to pay its levy on its own real property, according to the levy set, or to pay 10 per cent of the sum raised by Division 1—that is the bulk of the funds—and that will absolve it from liabilities to pay into the fund for real property. Both those options are unsatisfactory for the reasons I shall point out due to the lack of frankness by the Government on this measure throughout.

We would have had it sold to us that this Bill was about making more equitable an inequitable funding arrangement, where those who do not insure do not pay, and where those who are under insured do not pay. At no point did the Government come up and say, 'It also involves a little premium for us. We will reduce the proportion of funding for emergency services that comes from consolidated revenue, and increase as compensation that amount that comes from the long-suffering public'—the public still reeling from its most recent mugging by this Government in the State budget. Let me explain why I say that.

Currently, there are three services to which the Government contributes an appropriation which you might call the dedicated or discrete emergency services. The bulk of that money is spent by the Metropolitan Fire Service. There is also the Country Fire Service and the State Emergency Services. In addition to that, the Government makes an appropriation to the police force. A proportion of the work of the police force is of course devoted to emergency services and emergency response.

Setting aside the police service, what occurs at present? I will refer to the 1997-98 budget figures, because we know what occurred. Out of an expenditure of—and the Minister will correct me if I am too far wrong as I do not have the

relevant document open in front of me—about $55 million or $57 million, by legislation, the Government is required to contribute 12.5 per cent of that budget. Its contribution, in fact, according to the budget documents, was about $6.6 million.

Its contribution under legislation to the budget of the Country Fire Service—and again, if I am wrong, the Minister can correct me—is 50 per cent of its budget. That contribution in 1997-98 was also around the $6 million mark, and apart from the contribution made by the Commonwealth Government, which is a shrinking contribution, it contributes 100 per cent of the budget of the State Emergency Services. As to the funding arrangements for the Metropolitan Fire Service, 12.5 per cent comes from the State Government and 12.5 per cent from local government—no mention is made whether they are getting a windfall improvement out of this, and I will be interested to hear the Minister on that—and 75 per cent comes from insurance premiums, that inequitable scheme that we have spoken about.

With respect to the Country Fire Service, 50 per cent comes from insurance premiums, and no contribution is made by the public except through consolidated revenue. As to the simple bulk figures for those emergency services for 1997-98, of the approximately $74 million expended on emergency services, some $14 million, or roughly 21 per cent, was provided as appropriations from the State Government out of consolidated revenue.

You start to see the first little premium the Government has made for itself in this legislation. I assume that, if it does its sums and finds out that the capital value of the levies on its real property amounts to more than 10 per cent of the fund, we will not see the Government paying the levies. It will be paying the 10 per cent. If it is less, it will be paying less than 10 per cent. What you will not see the Government in any circumstances doing is paying more than 10 per cent of that sum.

That is plainly a premium for the Government. It is a shift in the responsibility for the funding of these services away from consolidated revenue to the public. I just say to the Government, which wants to increase taxes on people: at least have the honesty to tell them you are doing it. At least have the honesty to tell the people of South Australia that you are increasing their tax rates because you do not want to pay as much for emergency services as you paid in the past.

Those are the rough figures. But this budget, just like the water levies did before, will go on and pay for some of those things that had not been accounted for by that inequitable emergency services funding. As I understand it, in 1997-98, the component of the—

**Mr Clarke:** The Minister is getting his instructions!

**Mr CONLON:** Well might they sit together. They have had a good day with some dark deeds on their hands today. In addition to the 21 per cent that is currently contributed as I have stated, the proportion of the police budget for 1997-98—and I apologise for not having the figures to hand, but no doubt the Minister can correct me if they are not right—was in excess of $9 million for emergency response.

I would assume that the State Government in future will say, 'This looks like something ancillary, incidental to or an emergency service, or a service provided by the police.' I refer members to clause 3, the interpretation clause, and read what it can spend this on. If you think it will not fund that out of this emergency services levy, then you have another think coming. If you do your sums, that brings it up to about 35 per cent of emergency services in South Australia that is funded by the Government out of consolidated revenue. But wait, there is more! There are no steak knives, but there is more.

It is plain that there is a range of other services that can now be paid out of this fund that might presently come from consolidated revenue. The Minister was asked the question in the Committee stage, and he said it was a very broad question. Yes, it is a very broad piece of legislation. It is a very broad ability offered to this Government to raise money from the taxpayers of South Australia. It is a very broad question. I do not know how to frame it any other way. I want to know whether there are any other appropriations out of consolidated revenue other than those we have identified that the Government is now going to take as an extra tax from the people of South Australia.

Our amendment will allow the Government its premium. In some ways, it is not a bad result for us to have this go through at 10 per cent because, like night follows day, in particular in light of the events today, sheltering a man who cannot tell the truth on the front bench, we will be over there at the next election. I guarantee you that, so it is pretty handy for us. Be that as it may, it is our duty as an Opposition to raise these matters of principle, in particular, because this Government has never come clean and told the people of South Australia what this Bill is about and the fact that it is an additional tax.

On that basis, we will allow them some premium out of this. Let us make them pay 20 per cent. They will still be paying less than they paid before. They will still be imposing a new tax on the people of South Australia but let us not allow them to grab so much at once. The Opposition's amendment would prevent the Government from being able to avoid paying as much as it used to, simply by paying a levy on real property, and it would also prevent the Government from getting away with it by paying 10 per cent.

I have no doubt that the Minister is about to get up and say, 'You have not looked at all of this or all of that.' The simple fact is that, of about $74 million spent on emergency services in 1997-98, the Government paid 21 per cent of it. If the fiercely independent members for Gordon and MacKillop let this Bill through, they will be imposing a new tax on the people of South Australia. If they allow this one to go through, we will be down in their electorates and talking about this. We will be talking about their other deeds today, but we will be talking about this one, too. I commend the amendment to the Committee.

**Mr McEWEN:** I have some sympathy for Patrick the Younger, the member for Elder, in relation to what he is trying to achieve with his amendment, but the 20 per cent is flying a kite, as is the 10 per cent. Here we are trying to achieve a situation where the quantums remain. I have some confidence with the hypothecated fund, so I do not think that the leakages the member for Elder is talking about will occur, and it is important that we secure that in the legislation. That notwithstanding, the point we are trying to achieve here is that at the end of the day this is not an opportunity for the Government to back off on its fair contribution to the overall set of services now being chunked together. I do not know about the 10 per cent or 20 per cent. The point being made is that the quantums that now exist—the ratios that ought to be calculated—should be maintained. If that is the intent of the amendment, I have some sympathy with it and it might be worth looking at, doing the true calculations and maintaining the present quantums within what I genuinely believe will be maintained as a hypothecated fund.

**The Hon. I.F. EVANS:** We oppose the amendment. From assumptions the member for Elder has made, I do not think he understands, or he may not be aware of the ramifications. The first thing he has forgotten in his calculation is the collection of stamp duty as an income item to the Government from the insurance premiums. Stamp duty currently is about 11 per cent, so if the Government is collecting $60 million there would be stamp duty coming through. The honourable member also made a calculation of the police amount—

*Mr Conlon interjecting:*

**The Hon. I.F. EVANS:** Because the amount is no longer collected. He also made a calculation on the police cost and that is based on a $9 million figure that might have appeared in the emergency response line of the budget from time to time. There is no doubt that police perform some emergency service roles. Whether the roles they perform under the emergency response line actually qualify under the Bill is not yet determined. The $9 million figure used by the committee was heavily qualified by police when it was sent over as a first-up calculation.

*Mr Conlon interjecting:*

**The Hon. I.F. EVANS:** I am saying that whoever is administering the fund at the time has to make a judgment that those costs qualify under the definition in the Bill of 'emergency services'. If we look at some of the costs that go to make up the $9 million the committee used—things like Water Response Group, the Star Force operations (I do not know whether that reflects an emergency service use, but ultimately someone will have to make a judgment)—it is really a best guess. We should not be using that figure to ramp it up to 20 per cent.

The committee used 10 per cent (and the committee was made up of not just Government members but members of local government bodies and the Insurance Council of Australia—independent community people) as an estimate of what it thinks is a fair calculation of the Government's contribution, which it believes at this stage is 10 per cent. The Government intends to value all the property in the State the Government owns and apply the same rate to that property as paid by private individuals and commercial premises. Government property will be treated the same as non-government property under the Bill. It will be valued and, if the value means we have to pay more than we would, we will pay more. It will be done on capital value. It is exactly the same system as that being adopted in Western Australia. It is a transition process.

The Valuer-General I am advised does not have a capital value for all Government land today. It will take the department some time to establish capital value for all Government assets that need to come under this levy, so the proposal is that we stick to 10 per cent at this stage, value all the land and Government assets and apply the same rate as would be applied to any non-government land or asset. That is being proposed here.

I refer to an earlier question asked by the member for Kaurna. I may have given an incorrect answer earlier. In relation to whether the levy can vary, I am advised that the fixed charge can vary but not the capital charge. The rate in the dollar of the capital charge has to be the same across all areas but the fixed rate can vary.

**Ms WHITE:** I refer to both the clause and the amendment.

**The CHAIRMAN:** We should be dealing with the amendment at this stage. You can deal with the clause later.

**Ms WHITE:** I will deal with the amendment, which is to put a 20 per cent cap whereas the clause as it stands is to put a 10 per cent cap. I refer to the effect of the clause and the amendment to the clause. In the 1998-99 budget, what is the State Government contribution towards funding of the emergency services as listed under this Bill? Given that figure, I am trying to work out what this really means in dollars and cents—and a lot is left open in this Bill. Will the Minister give me the figure for the Government's contribution towards these services in the current budget? How does it compare with the first year of operation under this new legislation with the 10 per cent cap on the Government's contribution? What would that equate to?

**The Hon. I.F. EVANS:** I simply cannot provide that answer, because the amount of money to be collected next year has not been determined. The Government's 10 per cent contribution is a 10 per cent contribution of an amount yet to be determined, so I cannot give an answer.

*Members interjecting:*

**The Hon. I.F. EVANS:** I will not make up an answer.

**Ms WHITE:** The Minister should be able to tell me what this year's contribution under current legislation is to the emergency services that come under this legislation before us. What is the current contribution? To what extent is the Government funding these organisations now?

**The Hon. I.F. EVANS:** The only information I have tonight is from page 39 of the report of the Emergency Services Funding Review Committee. I will have to bring back a correction if the figures are incorrect, as they are not formal budget papers. The report indicates that the State Government budget for 1997-98 for the CFS was about $6.46 million. For the MFS the State Government contribution was $6.667 million. Unfortunately this report does not show a State budget figure for the SES.

I am aware that Surf Lifesaving from memory is $142 000, funded from the Department of Sport and Recreation last year. It will be funded by the Department of Sport and Recreation this year, and from 1 July next year it will go to the emergency services budget line. So, this year $145 000 continues out of the Department of Sport and Recreation, although on Saturday night we announced that we had increased it to $152 000. To repeat, the figures are: for the CFS, $6.466 million; MFS, $6.667 million; and surf lifesaving, $152 000. Those figures have been taken from the committee report.

**The CHAIRMAN:** The member for Taylor. I have been fairly easy with the member for Taylor in respect of the number of times that she has spoken.

**Ms WHITE:** That is the way I like it, Sir.

**The CHAIRMAN:** I suggest that this will be last opportunity the member for Taylor will have to speak on this clause.

*Members interjecting:*

**The CHAIRMAN:** Order!

**Ms WHITE:** The Minister has given the Committee approximate figures of what the Government contributes to emergency services now. The real answer that I am trying to get from the Minister is whether this 10 per cent cap on the Government's contribution to those services under this legislation means an increase or a decrease in the Government's contribution to these services. The Minister has said that he does not know how much money will be collected. If he does not know how much is to be collected, how does he know that 10 per cent is right?

**The Hon. I.F. EVANS:** I understand the point that the honourable member makes, and the committee looked at that question. There are external people as well as Government officials on the committee, and they think that 10 per cent of the collection is about right for the capital value of the Government property, and that is why we have put a process in place so that the capital value of the land will be assessed so that the levy can be charged. The honourable member knows full well that until the levy is set next year I cannot tell her what 10 per cent that is.

Amendment negatived.

**Mr HILL:** My question concerns the amount of money going from Government revenue into emergency services. Can the Minister tell the Committee whether there will be a substitution of Government effort from the taxpayers by way of the levy into emergency services? In other words, will the Government maintain its contribution to emergency services, and will that contribution be topped up by the levy or will the levy substitute some of the current Government effort?

**The Hon. I.F. EVANS:** I am not quite sure what the honourable member means by 'current Government effort'. What does he mean by that?

**Mr HILL:** As I understand it, the emergency services are currently funded by voluntary contributions, the insurance contribution and taxpayers' funds. Will those taxpayers' funds be fixed, and will that percentage or amount of money continue to go into emergency services or will the Government use the levy to reduce the Government's contribution as well as the other two contributions?

**The Hon. I.F. EVANS:** Under the legislation, the Government has to put in 10 per cent of the total take.

**Mr HILL:** I understand that it is 10 per cent, but will that 10 per cent be greater than the amount that the Government currently puts in or less, or can he not guarantee it either way?

**The Hon. I.F. EVANS:** I have answered this twice: once for the member for Taylor and now for the member for Kaurna. Until the budget is set for next year, I cannot say whether the 10 per cent that the Government needs to pay as its contribution will be more or less than it is contributing this year, because it ultimately depends on how much the budget requires the community as a whole to spend on emergency services.

**Mr CLARKE:** This is an absolute shambles. A Minister of the Crown is saying that he does not know whether the 10 per cent levy will be greater, less or equal to what the Government is currently paying. The Government has no idea because it has not valued its assets. What is the budgetary process that the Government goes through? This is a shambles. What the Minister is saying is that, although we may pass legislation tonight and in Sleepy Hollow a bit further down the track, the Government could be exposed to considerably more than 10 per cent or it could decide to pay less. If it decides to pay less than the 10 per cent, somebody else will pick up the tab.

*The Hon. I.F. Evans interjecting:*

**Mr CLARKE:** Are you saying it must be 10 per cent?

**The Hon. I.F. Evans:** Yes, it has to be 10 per cent.

**Mr CLARKE:** In other words, because you do not know the value of the properties around the track, could we be up for many more dollars than the current contribution by the State to emergency services? What I find most appalling about this exercise is the lack of information that the Minister is able to provide as to the dollars and cents. Let us forget the cents and think about the dollars. Let us forget the amount to the nearest $100, to the nearest $1 000, to the nearest $10 000, and to the nearest $100 000—the Minister cannot even come within the nearest million dollars as to what it will cost us. We just have to pass this legislation as to what the State's contribution will be on an act of faith.

Neither the Minister nor the Government has seriously thought this legislation through. At the very least, members of Parliament ought to be given, within the bounds of the Liberal Party's elasticity of accuracy, what the ballpark figure is—greater, less or the same. I do not want the Minister to go down to the nearest $100 000 or even the nearest $1 million. Let us make it to the nearest $5 million as to what the State's contribution is likely to be.

**The Hon. I.F. Evans:** Is that a question?

**Mr CLARKE:** Can the Minister give us a ballpark figure to the nearest $5 million or $10 million?

**The Hon. I.F. EVANS:** I advise the member for Ross Smith that the budget process works like this: about November the agencies will be asked to put in some budget bids.

**Mr Clarke:** Do you pull the figure out of the air?

**The Hon. I.F. EVANS:** No. About November 1998 the agencies will be asked to present what they see as their needs for the next year, from July 1999 to June the following year. They will go through at least three rounds of what is called a budget bid process and they will all put up a wish list that the honourable member would not believe, and slowly but surely Treasury will cut it to ribbons and hopefully the agencies will end up with some programs in the budget. The honourable member knows that next year's budget is not finalised until April-May next year, and there is no way that the member is serious when he asks me to say how much money we will collect next year.

*Mr Clarke interjecting:*

**The Hon. I.F. EVANS:** No, we are not. What the legislation provides is that we are going to get rid of the old system. I cannot even tell the Committee under the old system how much will be collected next year because the budget is not set. What we are talking about here, as the honourable member well knows, is the process in respect of how the money is collected. The honourable member is trying to say that the budget for 12 months down the track should be locked away now, but it is not. There is no way that, even under the current system, anyone can tell how much money needs to be collected in 12 months or 24 months.

That is part of the budget process at the time. The process is that the Government will contribute 10 per cent of whatever the amount is. If through the budget process it is decided that it will be more because we want to spend more on emergency services, it will be more and, if we decide we want to spend less, it will be less, but under this legislation the Government will contribute 10 per cent.

Clause passed.

Clauses 11 to 14 passed.

Clause 15.

**The Hon. I.F. EVANS:** I move:

Page 11, lines 14 and 15—Leave out 'as part of a rate notice served by a council under the Local Government Act 1934 or'.

Amendment carried.

**Ms WHITE:** Clause 15(4) talks about how the notice will be served, and it could be either a State Government notice or part of a rate notice served by a council. In his response to the second reading debate the Minister said that he had consulted with councils and that their response was very

positive. Exactly what were those discussions? Is the Minister trying to intimate that councils will be pleased and have indicated to him that they will be pleased to include on their rates notice not only the State Government's new water catchment tax but the State Government's new emergency services tax? Is that what the Minister is trying to indicate to the Committee?

**The Hon. I.F. EVANS:** As I have travelled around the State visiting local councils and emergency services agencies in relation to this Bill and others, a number of councils have indicated that they are very positive about collecting it. There is a mixed view; that is, some councils want to collect it and some councils do not want to collect it. Some councils want to be involved in the rate notice, while some—

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** Whyalla indicated it was interested in collecting it. A number of councils are interested. We have had discussions with the LGA about whether local councils want to be involved in the process. We have deliberately not gone down the path of dictating in legislation that this should be the case. We are saying that we see an opportunity for councils to be involved and that they will be paid some administration fee to do that if they so wish. We are having discussions with the Local Government Association on whether or not councils want to do that. I have had at least one meeting in the past couple of weeks, and we have set up a process where we are meeting every two or three weeks to talk the issue through.

There are a number of transitional issues in relation to local government. Whether or not councils collect it or whether or not it is on their rate notice is one of those issues, and it is a matter of consulting with them. We do not intend to dictate to them at all. There has been a mixed response, but I am surprised by the number of councils that have been very positive towards the concept of being involved.

**Ms STEVENS:** Is the Minister saying that there could be a difference in the way it is collected across the State? In other words, some councils may do it and others may not.

**The Hon. I.F. EVANS:** No, I am not saying that. I am saying that at the moment there is a mixed reaction between councils—some want to be involved and some do not. We would be keen to sign up so that there is a uniform collection process across the State, and that is why we are having discussions with the LGA to see whether councils are interested in having a uniform collection process. It would create some difficulties if in one council area it was being collected under one method and the next council under a different method. That is not the intention.

**Mr CONLON:** I am not sure whether there is an appropriate place to ask this question, so I will ask it now since we are talking about councils and local government. The Minister has not been able to tell us much about the fund so far, but can he say whether those councils in the metropolitan area currently paying 12.5 per cent towards the funding of the Metropolitan Fire Service will make a significant saving out of this? Will they pay much less as a result of this Bill?

**The Hon. I.F. EVANS:** Certainly that will vary between individual councils, and ultimately it will depend on the amount of land each council owns. Certainly local government as a body across the State will have some windfall gain out of this, but we are talking to the Local Government Association about the treatment of the amount of money currently collected in council rates that goes to emergency services agencies. We are talking to the Local Government Association about how that money may or may not be treated. We are concerned that the treatment of that money should be very transparent so the ratepayer knows whether it is a rate reduction or whether it is going towards a particular service. We are trying to develop a very transparent process. We are in the middle of negotiations with the Local Government Association in respect of the treatment of that money.

**Mr CONLON:** Will the Minister be talking to his colleague the Minister for Local Government to ensure that those councils currently applying for a lift in rate capping do not receive a windfall from this Bill?

**The Hon. I.F. EVANS:** They are really separate issues, and I will explain why. Individual councils applying for a lift in rate capping given their own individual circumstances will try to negotiate a result with the Local Government Association that applies evenly or consistently across all councils in relation to the treatment of the money currently being collected through rates and taxes for emergency services that will not have to be paid to emergency services in the future by local government. While the rate capping is a council by council issue, given the programs we are trying to implement to get the rate capping lifted—and there is criteria for that—we are trying to establish with the Local Government Association a uniform approach to how the money is treated so it is uniform across the State. We are looking for a consistent approach.

**Mr CLARKE:** Maybe I am naturally suspicious or something, I am not sure. What surprises me from the Minister's answer is that again there is no legislative protection for ratepayers that local government authorities will not receive a windfall profit out of this whole exercise by pocketing the difference that they now contribute towards emergency fire services. They will no longer have to do it, which does not necessarily mean it will translate back into improved services or a reduction in rates. We have already dealt with the fire insurance companies and insurance companies. There are no legislative provisions to ensure that they do not make a windfall profit out of this whole exercise. There is some memorandum of understanding being entered into which has, I would imagine, the same degree of strength of enforceability as the water contract, which has seen what was supposedly rock solid guarantees written into the water contract blithely ignored by this Government and contractual obligations by United Water not enforced or penalties applied.

The average punter in the street does not mind being shorn if they are to be regarded as sheep but, when you start getting the shears a little too close to the skin and you draw blood, they react. It seems to me that in respect of this exercise the Minister is bringing in a system where anyone who has any property—mobile property or real property—gets slugged for the services that they thought they paid for anyway through taxes, and those who have insurance policies contribute as well.

In answer to the member for Elder's question, the Minister is now saying that he has this pious hope that local government will not make a windfall profit out of it, pocket the difference and not pass it back to the ratepayer. This is outrageous. The Minister cannot tell us what it will cost the taxpayers in terms of this 10 per cent—whether it is greater or less—and he cannot provide a calculated guess to the closest $10 million.

*An honourable member interjecting:*

**Mr CLARKE:** Well, I raised it to between $5 million and $10 million just to tempt your arm at a guesstimate. The

Minister is doing nothing about windfall profits for insurance companies or about local government, except for expressing pious hopes, and he seriously expects us to pass this legislation. As I said earlier, this is an absolute shambles. What legislative action will this Government take? Can the Minister point to an existing Bill or an amendment that he proposes to make sometime later tonight or when the matter goes upstairs to sleepy hollow as to what he will do about protecting the rights of ratepayers?

**The Hon. I.F. EVANS:** This represents the clear difference in approach between the two Parties. We want to consult and work together to reach an agreement that local government and the Government find workable in a transition year: the Labor Party seeks to dictate through legislation what they should do with the money. It is a clear difference. We are not—

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** Well, that is what you are suggesting. You asked me what legislative amendment I would move to protect the use of ratepayers' money. The answer to that is that I will not move any legislative amendment to do that: I will simply negotiate a heads of agreement with the Local Government Association about the transition year, and we are quite happy to continue to sit down and work with them to get a good result out of this legislation.

**Mr CONLON:** To paraphrase a question of the member for Ross Smith, is this not a case of nearly every player wins a prize? The State Government, local government and the insurance industry get to pay less. And I forgot someone—there is the taxpayer, who has to pay more.

**The Hon. I.F. EVANS:** The people who will be paying more are those who are presently uninsured and contributing nothing. That is what this legislation is all about. We have 31 per cent of households that are simply not insured and, therefore, contributing nothing; and we have 20 per cent of small business that are uninsured and contributing nothing. We are trying to get the legislation through so that everyone contributes to the cost of emergency services on a fair basis.

**Mr HILL:** Does that mean that the 70 per cent of people and the 80 per cent of businesses who are paying insurance will be paying less?

**The Hon. I.F. EVANS:** The honourable member knows the answer to that; we have answered it six times. We can stay here all night answering the same question. The budget process dictates. I do not know how much money needs to be collected until next year. Until we get that money through, we cannot give a definite answer.

**Ms WHITE:** I understand that the levy notices may be issued through the council rate notice process. In the second reading stage, I raised the issue of people in rental properties—either Housing Trust or private rental properties—having protections or stipulations from the Government as to whether these charges or a proportion of these charges can be passed onto them.

**The Hon. I.F. EVANS:** The advice to me is that the Commonwealth-State Housing Agreement will prevent its passing onto Housing Trust tenants.

**Ms WHITE:** I also asked about private rental tenants. Would that involve just market forces?

**The Hon. I.F. EVANS:** In the private rental market, a bill will be sent to the property owner. Whether they can pass on that charge is a matter between the property owner and the tenant, according to the lease.

Clause as amended passed.

Clauses 16 to 18 passed.

Clause 19.

**Mr CONLON:** I follow on earlier questions about there not being concessions under the Government's plan. Will the Minister give me an absolute guarantee here and now that no pensioner or person on a fixed income will have their house sold because they cannot pay this levy due to hardship?

**The Hon. I.F. EVANS:** This clause is straight out of the Water Resources Act. It is a standard clause in Government legislation of Parties of all persuasions. At the end of the day, the sale of land for the collection of the levy, as everyone knows, is a position of absolute last resort. Departments have in place processes to try to recover moneys due without causing undue hardship to someone who finds themself in very difficult circumstances, not being able to pay on time or whatever. It would be highly unlikely that the circumstances you describe would occur. However, the legal position is that the Government does need to protect its taxpayers.

**Ms WHITE:** This is a very long clause over 1½ pages. It is a punitive measure for people who either refuse to or cannot pay the new tax. The Minister has just stated that there is another tax—the catchment water management tax—that, if not paid, can result in the sale of property. Apart from these two new Government taxes, are there any other levies, charges or taxes under South Australian legislation that, if not paid, will result in the home being sold?

**The Hon. I.F. EVANS:** I am obviously not familiar with every existing Act. I am advised that the Local Government Act has a similar provision. I will take the question on notice and provide the honourable member with a more detailed response, because I will need to research other Acts for which I am not responsible. I will research the matter and get back to the honourable member.

**Ms WHITE:** Presumably, someone's land or property is worth—if it is real property—at least $25 000 and it could be worth as much as several hundred thousand dollars. We do not know how much this tax will be. Would it not be awfully expensive for the Government to go to such a great length to recoup this tax by selling, in particular, real property? I still do not have a clear indication from the Minister about how much money we are talking about in terms of this tax. Can the Minister give me a rough indication?

**The Hon. I.F. EVANS:** The member for Taylor says it may be a small amount. That may be true, and that is why it is highly unlikely in a residential situation that the clause would come into effect. The honourable member needs to realise that this would also apply to commercial premises. Some commercial premises have significant capital value, and the amounts outstanding would be significant sums of money. Some of them already pay significant sums of money under the current scheme. Therefore, it would be appropriate in those circumstances if, as a matter of absolute last resort, the Government got to the end of its rope and had to sell a commercial property to recover: in the interests of taxpayers, the Government would have a duty to do that to recovery the debt. Everyone knows that Governments of all persuasions use the sale of assets as recovery as a method of last resort. There is a long, detailed process of debt recovery to try to prevent someone from losing an asset because of moneys owed. However, as a legal obligation to our taxpayers, you need to have some recovery clause.

**Mr CONLON:** I will take the opportunity to do something that I should have done before, and that is to thank Parliamentary Counsel, first, for a Bill that is eminently readable—probably far too readable for the Minister's sake—and very clear and, secondly, for the assistance given, in

terms of amendments, to the Opposition and for the prompt work and enthusiasm. I am grateful for that, and I would like it noted. Is it right to say that the protections—

*An honourable member interjecting:*

**Mr CONLON:** Yes, I am a terrible suck. Is it right that the protections afforded the owner of real property in this case are much less than those afforded under, I believe, the Law of Property Act, in the case of foreclosure of mortgage against a person who is behind in their mortgage? The protections in this case are much less: the process is much less onerous. Is the Government not in a position of greater advantage than someone recovering mortgage payments?

**The Hon. I.F. EVANS:** I do not have knowledge of that Act, so I will have to seek a reply.

*Mr Conlon interjecting:*

**The Hon. I.F. EVANS:** It is not an Act for which I am responsible, so I will have to seek a considered reply and bring it back.

Clause passed.

Clauses 20 to 22 passed.

Clause 23.

**The Hon. I.F. EVANS:** I move:

Page 15, line 8—Leave out paragraph (b).

This amendment simply deletes paragraph (b) relating to trailers and caravans, which we are advised are automatically picked up under paragraph (a), so paragraph (b) is simply not needed.

**The Hon. G.M. GUNN:** I move:

Page 15, after line 22—Insert:

(8) After the first notice declaring a levy under subsection (1) has been published in the *Gazette*, the Governor must not declare a further levy under that subsection in respect of a subsequent year or years unless—

(a) the amount of the levy declared in respect of each class of motor vehicle and in respect of vessels is the same as, or less than, the amount of the levy declared by the first notice; or

(b) the notice declaring the levy has been authorised by a resolution of the House of Assembly.

This is the second part of the original amendment that I moved, and I sincerely hope that I receive the same support as on the previous occasion. I do not intend to delay the House by responding to the diatribe of abuse that was heaped upon me—

*Members interjecting:*

**The CHAIRMAN:** Order!

**The Hon. G.M. GUNN:** —and others by the member for Ross Smith. I would be very happy to be judged upon what I have done in this House compared with what the honourable member has done—

*Members interjecting:*

**The Hon. G.M. GUNN:** I am a simple country lad, and I am looking after the interests of my constituents by moving these amendments. Let me say to the honourable member who is referring to Marree Man that we will talk about that on another occasion. I am quite happy—

*Ms Key interjecting:*

**The Hon. G.M. GUNN:** Obviously, some members have indulged themselves. I will not respond to interjections: I do not want to delay this process. This is a worthy amendment, and I look forward to the support of my colleagues.

The Hon. I.F. Evans's amendment carried.

**Mr CLARKE:** I will not take too much of the time of the Committee, because I have already said a fair bit about this matter under the amendment that the member for Stuart moved to clause 9 prior to the dinner adjournment. However, given the benefit of the fact that the member for Colton is present, he might like to listen to this. I refer him to what he said in the House around this time last night, which was that, unless his amendments were carried, he would vote against this Bill; he would cross the floor. His amendment, which has been withdrawn in favour of the member for Stuart's amendment, specifically provides the power that the Minister's increase in the levy payable, and so on, is subject to the approval of either House of Parliament: however, the member for Stuart's amendment, both to clause 9 and now to clause 23, provides that it can be authorised by a resolution of the House of Assembly.

That is a Clayton's protection, for the member for Colton's information, because, on the law of averages, the Government has the majority on the floor of the House, otherwise it is not the Government—and particularly when it has a couple of compliant, fiercely independent MPs who fall into line whenever the going gets tough in this place. So, it is no protection. I say this to the member for Colton: it may well suit my purpose, and that of my Party, for the amendment as moved by the member for Stuart to be carried because, if it is, as sure as day follows night, we will be in government at the next election. The member for Colton is well aware of that: that is why he wanted to move the amendments that he flagged last night, as protection against some rapacious socialist administration in South Australia.

In one sense, whilst I support the member for Elder's position, as he has already flagged in earlier amendments (which we were cruelly struck down on earlier this evening), if I have to live with some legislation, I will live with the member for Stuart's legislation, because it is a godsend for the Government of the day. And when we are in government, we will thank the member for Stuart profusely, I am sure, and this Government for bringing in this legislation. But that was not what the member for Colton said last night. The member for Colton was worried about any Government of the day, particularly a Labor Government, without any reference to the parliamentary process, effectively, being able to jack up the levy rates.

For the information of the member for Colton, that is exactly what the amendment moved by the member for Stuart does, because it is can be revoked only on the floor of this Chamber—the House of Assembly—not the Legislative Council and not either House. Proposed new subclause (8)(b) provides that the notice declaring the levy has been authorised by a resolution of the House of Assembly, whereas the amendment originally proposed by the member for Colton provided that the Minister must, as soon as practicable after the publication of a notice under this section, cause copies of the notice to be laid before both Houses of Parliament.

So, given the composition of sleepy hollow, the Government of the day, for the foreseeable future, will not have a majority in the Legislative Council; therefore, it is capable of being overturned by a resolution carried in another place. What I again point out to the member for Colton is that you have been dudded. What you have promised your electorate, what you have said on radio, what you said in this House last night will not be carried out in this legislation. If that is what is you want—

**The CHAIRMAN:** Order! The member for Ross Smith will address the Chair.

**Mr CLARKE:** Through you, Sir, if that is what the member for Colton wants, he should get up and say so. If it is not, likewise, get up and say so, but he should not beat his chest in this House. He should not appear on the media and

say how he is standing up against these tax imposts and how he will cross the floor, or whatever, and then roll over and pretend to be doggo, have his tummy tickled and be pleased by the member for Stuart, who is acting as the stalking horse for the Minister. I simply say to the member for Colton that we will be dealing with other important legislation involving local government, particularly the City of Adelaide, and I trust that he is not as compliant on those matters, despite his stated public positions on them, as he would appear to have been by accepting the member for Stuart's amendment.

**The Hon. G.M. GUNN:** We have listened at length tonight to a diatribe of nonsense by the member for Ross Smith, who is obviously very tired. Even at this hour, no-one else would carry on and talk such utter drivel and nonsense as he has put to the Committee tonight. Let us look at the facts: the amendments put forward by the member for Colton relate purely to their tabling in the House—nothing was said about having a vote. The other point which the honourable member fails to understand is that the Legislative Council does not initiate financial measures. Does he not understand that?

This House deals with financial measures, and at the end of the day the very course of action which the member for Elder has put forward gives less protection than my particular proposal—a lot less protection. So, if anyone is pulling the wool over anyone's eyes it is the member for Ross Smith. He is a hypocrite. He carries on in a most irresponsible and foolish way.

**Mr CLARKE:** I have broad shoulders and I do not mind one hypocrite calling another person a hypocrite but, as I am not one, I would appreciate the other hypocrite withdrawing his imputation.

**The CHAIRMAN:** Following previous practice, I ask the member for Stuart to withdraw the word 'hypocrite'.

**The Hon. G.M. GUNN:** Out of great deference to you, Mr Chairman, I would not want to reflect on the member for Ross Smith; that would be a most difficult course of action. Of course, I withdraw. However, let me make the point to the honourable member: he comes into this Committee, talks at length and says nothing. When he leaves this place he ought to leave in a hot air balloon. In terms of the production of hot air, the honourable member would make a fortune. In my time in this place the member for Ross Smith is one member who would talk on all subjects even though he knows nothing.

**Mr FOLEY:** I rise on a point of order, Sir. I would have thought that a member of 28 years standing and a former Speaker would know that, according to Standing Orders, members must speak to you, Sir, and through the Chair and not across the Chamber. I ask that you rule accordingly.

**The CHAIRMAN:** I uphold the point of order and I hope that all members of the Committee recognise that point of order.

**The Hon. G.M. GUNN:** I look forward to the member for Hart's complying with the Standing Orders for which he now professes to have such respect. In my time in this place the member for Hart would be one member who has paid less attention to adhering to the Standing Orders than most members who have come through this place.

**Mr Foley:** And proud of it.

**The Hon. G.M. GUNN:** I know that we are not allowed to call members hypocrites, but if I was—

*Members interjecting:*

**The Hon. G.M. GUNN:** That is a hypothetical question. I leave it to the honourable member's own judgment. I make the point that this amendment does afford protection to the community. Any Government which has ill intent and wants to raise excessive revenues will ultimately get its way in the Parliament, but by putting this particular proposal forward the Government must be honest, transparent and up front. That is the purpose of the exercise. At Executive Council on Thursday morning the Government cannot rubber stamp it. The Government will have to vote and it will have to own up.

We will make sure that people in those marginal seats are made aware of the comments made by the member for Ross Smith and others in this debate. If they are dead keen on dipping their hands in their hip pockets as often as possible and plundering their hard earned dollars—and we know that that is the policy of members opposite—then we thank the member for Ross Smith for putting it on the public record chapter and verse. The honourable member has made that clear, aided and abetted by another honourable member. If the honourable member believes in progressive taxation, then we will make sure—

**Mr FOLEY:** I rise on a point of order, Sir. I am very concerned. After upholding my earlier point of order, the member for Stuart is now turning and talking to someone in the gallery. I simply ask you to uphold my point of order.

**The CHAIRMAN:** I ask the honourable member to address the Chair. As I said earlier, I ask that all members recognise that point of order.

**The Hon. G.M. GUNN:** I have great respect for you, Mr Chairman, and I am looking forward to the honourable member's complying with Standing Orders. I am looking forward to it. It will be the first time in his life that he has ever done that. The member for Hart has a short fuse and it will not take us long to provoke him so that he completely ignores Standing Orders.

**The CHAIRMAN:** Order! There is a point of order.

**Mr CONLON:** My point of order might show my lack of experience as a new member, but I thought relevance had something to do with Committee proceedings.

**The CHAIRMAN:** Order! The Chair has been very flexible tonight as far as this debate is concerned. I do not think that any member should talk about relevance this evening.

*Members interjecting:*

**The CHAIRMAN:** Order!

**The Hon. G.M. GUNN:** Thank you, Mr Chairman. On that interesting note, I conclude my comments.

**Mr HILL:** What practical effect will the member for Stuart's amendment have on the legislation?

*Members interjecting:*

**The CHAIRMAN:** Order!

**The Hon. I.F. EVANS:** It will mean that if the levy in relation to clause 23 is raised then it will need to be voted on in the House of Assembly.

The Hon. G.M. Gunn's amendment carried; clause as amended passed.

New clause 23A.

**The Hon. I.F. EVANS:** I move:

Page 15, after line 22—Insert new clause as follows:

Exemption by Minister

23A. (1) The Minister may, by notice published in the *Gazette*, exempt motor vehicles or vessels of a class specified in the notice from the imposition of a levy under this Division.

(2) A notice under subsection (1) may be varied or revoked by the Minister by subsequent notice published in the *Gazette*.

**Mr WILLIAMS:** At the outset I declare my interest in relation to this clause. The other day I did a quick tally when I was considering some of the clauses in this Bill, and certainly as it relates to this particular area, and I calculated that my business has 14 registered vehicles. If there is to be a fee of $10 per vehicle then that will have some significant effect on me compared with other people paying this levy in South Australia. It is impossible for all those vehicles to be used at once, so the exposure to risk for all those 14 vehicles is much less than it would seem because the business is operated by three or four licensed drivers at the most.

*Members interjecting:*

**The CHAIRMAN:** Order!

**Mr WILLIAMS:** I would like the Minister to expand a little on the sorts of exemptions he would be looking at under this clause.

**The Hon. I.F. EVANS:** This issue was raised by a number of rural members. There are a number of premium class codes used in the Motor Accident Commission. There are approximately 50 or 60 different class codes, from memory, and some of those codes relate to vehicles which are totally off road. For instance, a tractor or piece of farm equipment may have a premium class code rating of 0. There are about 13 000 or 14 000 of those. This clause allows the Minister of the day to exempt those vehicles in that sort of class, because they actually never leave the farm or rarely leave the farm but do not provide a risk. Rural members, including the members for Schubert, MacKillop, Gordon, Chaffey and others, have raised that point.

**Mr CLARKE:** That is an interesting point—

*Mr Brokenshire interjecting:*

**The CHAIRMAN:** Order!

**Mr CLARKE:** You will know all about emergency services soon if you keep this up.

*Mr Brokenshire interjecting:*

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

**Mr CLARKE:** Where is the logic in what the Minister has just said in answer to the member for MacKillop? At the moment, presumably he has those vehicles insured and pays a premium on them. If they are not insured, then they are presumably part of that 31 per cent the Minister has been decrying as bludging on the system and not contributing towards their fair share of the emergency services of this State.

One of the complaints while we have this emergency services levy is that there is too much under-insurance and people are not paying their fair share towards the cost of the CFS, fire brigade and police services, and the like, yet now, effectively by ministerial feat, without any real scrutiny on the subject, the Minister will be able to sit down and just sign blanket exemptions across the board which would therefore be exempting those persons from paying what could rightfully be seen as their fair share towards emergency services.

It is a bit like saying, 'I have 14 cars in my backyard but I will insure only one of them', or 'I have 14 houses but I will insure only one of them to contribute towards the cost of the fire brigade', or whatever it might be. I know that the Minister will argue in his favour, because he needs the support of the member for MacKillop, as was only too evident today, but where is the logic to his argument if he is saying he wants to include and bring in all the assets that people have that may be at risk? This would be so that they were all paying their fair share towards the cost of these emergency services, yet the Minister would be prepared to issue a whole number of exemptions. Effectively, therefore, he will achieve the same as he is complaining about, which is people under-insuring or not insuring at all.

**The Hon. I.F. EVANS:** The member for Ross Smith is a little confused. First, he had the 40 per cent wrong: it was actually 31 per cent, and now he is quoting the correct figure but for the wrong asset. The 31 per cent of uninsured actually relates to houses, not vehicles. Currently the only collect the Government gets from vehicle insurance is comprehensive insurance. That collect off the comprehensive insurance, no matter where it is paid, happens to go to the Metropolitan Fire Service. If you happen to be in Oodnadatta and insure a car comprehensively, you are funding the Metropolitan Fire Service, and that is an inequity we will fix.

There are certain classes of vehicles on rural properties. From memory, in one class there are about 13 000 across the whole State, so it is not a large number considering the number of vehicles available, and they rarely if ever leave the property. The reason we are actually changing the charge on vehicles, to put it on registration, is that about one-third of emergency services call-outs, depending on the agency, relates to motor vehicle accidents. Because these particular vehicles very rarely leave the rural property, they are not involved in motor vehicle accidents, so we are saying that we think there is an opportunity to exempt some classes under that sort of circumstance.

**Mr CLARKE:** Is the Minister saying that 10 or 11 of those 14 vehicles in that example never leave the property? Is he saying they never get stolen and require the use of police resources to try to track them down, or they are never subject to fire?

**The Hon. I.F. EVANS:** If the member for Ross Smith wants the cost of the police investigating crime matters incorporated in the levy—although the Government is not suggesting that because, if a tractor is stolen, that is a crime matter—the honourable member needs to understand that crime matters under our legislation cannot be funded: it has to be related to any emergency service function. So, the honourable member needs to be clear on that argument.

**Mr CONLON:** What we are seeing is what we saw from members of the Federal Government, once the fear of One Nation ran up their spine, and that is the new schizophrenia in politics in Australia. It is user pays for the city, and socialism for the bush, just like the good old days with the Country Party. If it is not, let me ask this Minister if he is going to give exemptions to those young couples in the city who are paying off their mortgage and who must run a second car, which is used very sparingly in the city to take the kids to school and for local driving. Those people are already doing it tough under your lousy budget, but will you give an exemption to those people who need it for the second car?

**The Hon. I.F. EVANS:** The member for Elder answered his own question. The example I gave earlier was of rural vehicles that rarely leave the property.

*Mr Conlon interjecting:*

**The Hon. I.F. EVANS:** If you do not believe me, do not ask me the question.

**Mr FOLEY:** When the Minister talked about vehicles not leaving the farm property I can think of a number of pastoral leases that take up land masses larger than most of Europe. Is the Minister suggesting that large wealthy pastoralists with 10 or 15 vehicles covering 20 000 or 30 000 square kilometres will be exempt?

**The Hon. I.F. EVANS:** If they cover 20 000 or 30 000 square kilometres, one would suggest they would have their

own firefighting equipment and they would have their own first-aid equipment on that property. If you are going to give an example, give a decent example. If members opposite ever get out of the city they will find that people on huge rural properties—and my wife has worked on a rural property near enough to that size—have to provide their own emergency services because the taxpayer simply cannot fund emergency services to the level provided in the city for people with huge acreages in the country. These people will be hit twice because they will be paying some form of levy, yet the level of service supplied may not match that of the city. If the class of vehicles they are driving falls within the class we exempt, yes, they will be exempt.

**Mr FOLEY:** I love it when the Minister gets a little patronising. You can tell when he is becoming testy. Will Western Mining Corporation, for example, be exempt in respect of the many hundreds of vehicles it has on its mining site at Roxby Downs?

**The Hon. I.F. EVANS:** That depends on the premium class code exempted, but I doubt it. I do not know what premium class code of vehicles it has, but I understand most of its vehicles are one tonne trucks, which are obviously road vehicles. The vehicles we are talking about are primarily farm vehicles.

**Mr FOLEY:** The Minister has now said that we will exempt Mitch because he has 14 vehicles, but here we have the largest enterprise in the State—

*The Hon. I.F. Evans interjecting:*

**Mr FOLEY:** They will not be exempt. If they have vehicles on the Western Mining site running in between the mine site and the town, they are not exempt.

**The Hon. I.F. EVANS:** I have already answered. If we happen to exempt a premium class code with 13 000 vehicles and Western Mining happens to own two or three of those vehicles, they will be picked up in the exemption. I do not know whether Western Mining insures in South Australia. Given the size of the enterprise, I suspect that it might insure somewhere worldwide. A company the size of Western Mining may insure somewhere outside South Australia and, although I cannot confirm this, it may not currently pay an emergency services levy. If it owns property in South Australia—land and building—it will now be paying. If I have a choice of giving an exemption on two or three vehicles and picking up the emergency services levy on the value of their property, I will take the latter.

**Ms HURLEY:** What is the Minister's estimate of the number of vehicles on the Pitjantjatjara lands, the vehicles that travel around Umawa, that might be exempted under the conditions he is talking about?

**The Hon. I.F. EVANS:** The answer I gave on Western Mining holds. If a premium class vehicle is exempted and they own vehicles under that code, they will be picked up under that exemption.

**Mr WILLIAMS:** The Opposition has lost track and did not understand the question I originally put to the Minister. Vehicles on pastoral properties in the northern areas of the State are generally unregistered.

*Members interjecting:*

**Mr WILLIAMS:** On pastoral properties they have motor bikes that never go off the property and are not registered, so they would not be picked up. Because I have to cross over a roadway with a lot of my vehicles, under the Motor Vehicles Act I have to register them, although they spend most of their time on private property. Many vehicles on my property have to be registered just to cross a roadway. That is what I was talking about. Vehicles may not necessarily be picked up under a particular class because they range from trailers to farm machinery, tractors, motor bikes, four-wheel drives and utes. They are all registered.

New clause inserted.

Clauses 24 and 25 passed.

Clause 26.

**The Hon. I.F. EVANS:** I move:

Page 17, line 9—Leave out 'may apply' and insert: 'may only apply'.

Amendment carried; clause as amended passed.

New clause 26A.

**Mr CONLON:** I move:

Page 17, after line 29—Insert new clause as follows:

Certain expenditure to be authorised by regulation

26A. (1) The Minister must not apply an amount of five million dollars or more from the fund as a single item of capital expenditure unless he or she is authorised to do so by regulation.

(2) A regulation under subsection (1) can only authorise items of expenditure that are specifically identified by the regulation.

(3) A regulation under subsection (1) cannot come into operation while it is possible for the regulation to be disallowed by either House of Parliament under section 10 of the Subordinate Legislation Act 1978.

Frankly, there has been a lot of mostly hot air about making the Minister accountable in the setting of levies and the fact that it is a hypothecated fund. One matter which certainly was not addressed by the member for Colton—because, as we know, he went belly up again—but which was addressed by the member for Stuart was the raising of the levy. The very serious matter that was not addressed was the capital expenditure out of the emergency services fund.

Of particular concern to us is that we spent some time during the Estimates and in the House trying to find out about a certain contract—and this is a very good example of our concern—that has been reported in the media for about two years. Apparently there is a contract with Motorola to provide radios for a whole of Government service. The costs have been growing like a chemistry experiment for two years; it was going to be about $70 million, then we got to $130 million and the estimate of the Treasurer in the Estimates this year was that it would be between $150 million and $200 million. That is a fair amount of money; it is not the sort of money I have ever seen before.

Of great concern to us is that you can search the new open budget documents of this Government high and low and you will find absolutely no account taken of any cost for a new radio service and the cost of this extraordinary contract with Motorola. I assume that a good proportion of this radio service will be used by emergency services and by the police but that they will have to pay some portion of it for their emergency services responsibilities. So, I would assume that the Government will attempt to try to pay for the bulk of this ridiculous contract out of emergency services funding.

We just want to make sure that if it does that we can keep an eye on it. So, the amendment seeks to require payments in excess of $5 million to be done by regulation. I concede that it may not be the ideal way, but unless the Minister can provide a better way for us to keep an eye on him, and keep some scrutiny of him, we will stand by the amendment.

**The Hon. I.F. EVANS:** The Government is already required to refer any capital expenditure in relation to buildings of $4 million or over to the Public Works Committee, so there is already parliamentary scrutiny in place. I do not know of any—

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** This does not say 'radio contract': it only mentions '$5 million'. I do not know of any other Minister who is required to report to a committee on capital expenditure in relation to administering their portfolio. We have already put in place appropriate measures where the Minister is answerable to the House by way of motion in relation to the expenditure of the money. This is just an example of the Opposition trying to hamstring Governments of the day in the proper administration of their accounts.

New clause negatived.

Clauses 27 to 31 passed.

Schedule 1.

**The Hon. I.F. EVANS:** I move:

Page 20—
After line 34—Insert 'Loxton'
Line 43—Leave out 'Waikerie'.

Because they are related, I have moved them together.

**Ms WHITE:** Can the Minister explain what prompted this amendment?

**The Hon. I.F. EVANS:** For regional towns and cities in Regional Area 1, the requirement is that they have a population base of 3 000 people or more, and the figures that we had for Waikerie were wrong. Waikerie has under 3 000 people but Loxton has over 3 000 people.

Amendments carried.

**Mr HILL:** During the second reading debate I raised some issues in relation to the schedules, so I ask the Minister to explain to the Committee the basis of the two groupings, particularly in terms of the levies that they may have to pay? He covered part of that in his answer to the member for Taylor's question. Will people who live in the Greater Adelaide area pay a greater or lesser amount than people in Regional Area 1?

**The Hon. I.F. EVANS:** I have previously answered this question for the honourable member. If the flat fee applied to both areas is the same and the house and property is of the same capital value, it is likely that people in Regional Area 1 will pay a lesser amount than those in Greater Adelaide. That is underscored by the fact that the cost of the services applied in Regional Area 1 is less than in the Greater Adelaide area on a population basis.

**Mr HILL:** I take it from that answer that the method of determining levies in the Greater Adelaide areas looks at the whole council area. For example, in the Onkaparinga council area, which is in my electorate, there are some conditions that are more rural than urban. In effect, is it averaged out across the whole council area?

**The Hon. I.F. EVANS:** I have a similar situation in my electorate, where the suburbs of Panorama, Pasadena and Bedford Park are covered by the Metropolitan Fire Service, but the areas of Blackwood, Belair, Glenalta and Hawthorndene are covered by the CFS. They reason that they are included in the same Greater Adelaide district is that, even though the MFS provides a paid service which on a wage basis is higher than the volunteer service, the CFS area throughout the Hills has a very high concentration of capital asset in relation to vehicles, sheds and other buildings, but the labour component is voluntary. The cost of service delivery is similar enough for them to be grouped together. I acknowledge that, although some areas are in a CFS district and others in a MFS district, under this proposal they will all be similar.

**Mr HILL:** Is there an implication in this division that, eventually, all of the territory covered by the Greater Adelaide area will be covered by the MFS? Will there be an attempt to squeeze the CFS out of those areas?

**The Hon. I.F. EVANS:** As someone who is a fifth generation hills dweller I can say that there is certainly no intention from this Government to put the MFS right throughout the Greater Adelaide district. Every member who has spoken has said that both the fire services provide an excellent service. We have no intention of expanding the Metropolitan Fire Service right throughout the Greater Adelaide area.

Schedule as amended passed.

Schedule 2.

**The Hon. I.F. EVANS:** I move:

Page 21—
After line 9—Insert paragraph as follows:
(c) by striking out subsection (3) of section 24.
After line 27—Insert subclause as follows:
(2a) The amounts that an insurer does not reimburse to policy holders by reason of subclause (2) must be paid by the insurer into the Community Emergency Services Fund.

Amendments carried; schedule as amended passed.

Title passed.

Bill read a third time and passed.

## ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

In Committee.

(Continued from 2 July. Page 1294.)

Clause 15.

**The Hon. J.W. OLSEN:** I have already moved an amendment to clause 15 of the Electricity Corporations (Restructuring and Disposal) Bill. As members may recall, one purpose of this amendment is to enable the Treasurer to deposit proceeds from the sale of the State's electricity business into a special deposit account at the Treasury. This special deposit account is to be used to fund a scheme to limit differences between electricity prices charged to classes of customers outside the Adelaide metropolitan area and those charged to corresponding customers within the Adelaide metropolitan area. Today I move a further amendment to clause 15, as follows:

Page 10—After subclause (3) insert:

(4) The Minister must establish, maintain and operate a scheme (funded by the account referred to in subsection (1)(d) for the purposes of ensuring that until 31 December 2013 the electricity price charged to any small customer who is supplied electricity through the transmission network in South Australia, but not generally through a metropolitan transmission network connection point, will not exceed 101.7 per cent of the electricity price charged to a corresponding small customer, with the same levels and patterns of consumption, who is generally supplied through a metropolitan transmission network connection point.

(5) In this section—

'metropolitan transmission network connection point' means a transmission network connection point situated at—

(a) the East Terrace substation, Adelaide; or
(b) the Happy Valley substation, Happy Valley; or
(c) the Kilburn substation, Dry Creek; or
(d) the Lefevre substation, Outer Harbor; or
(e) the Magill substation, Magill; or
(f) the Morphett Vale East substation, Woodcroft; or
(g) the Northfield substation, Northfield; or
(h) the Osborne substation, Osborne; or
(i) the Parafield Gardens West substation, Parafield Gardens; or
(j) the Para substation, Gould Creek; or
(k) the Torrens Island substation, Torrens Island;

'small customer' means a customer with electricity consumption levels (in respect of a single site) of less than 160 MW.h per year.

The purpose of this further amendment is to give legislative force to the Government's promise that small customers in country areas will not pay in excess of 1.7 per cent more than the corresponding city customers with the same levels and patterns of consumption. We estimate that the funding of the scheme to implement this promise will cost around $10 million. This funding, together with the maintenance of the existing level of cross-subsidisation between city and country, means that more than $120 million per annum will go towards supporting residents of country areas. The amendments that have been tabled this morning—

**Mr Foley:** We've just been given them.

**The CHAIRMAN:** Order! The amendments were distributed and they have been on the table since at least 7.30 this evening.

**The Hon. J.W. OLSEN:** The amendments that have been tabled require the Minister to establish, maintain and operate a scheme which is to be funded by the special deposit account to which I have referred. The purpose of the scheme is to ensure that until 31 December 2013 the electricity price charged to any on grid small customer outside the Adelaide metropolitan area will not exceed 101.7 per cent of the electricity price charged to a corresponding small customer in the Adelaide metropolitan area who has the same levels and patterns of consumption. In other words, we are simply giving legislative force to those commitments that were given to the Parliament both in my second reading speeches and on a number of occasions.

A small customer is a customer who consumes less than 160 megawatts per year of electricity at a single site. In other words, a small customer is a domestic or small business consumer who falls within the final tranche of customers who are to become contestable as of 1 January 2003. For these purposes, the Adelaide metropolitan area is defined by reference to areas which are supplied with electricity through transmission network connection points that have been listed, situated at substations listed in subclause (5) of the amendment. Therefore, the Adelaide metropolitan area extends to Evanston in the north, Willunga in the south, the coast and Torrens Island in the west, and McLaren Vale, Happy Valley and Northfield along the hills face. The amendments simply achieve by putting into legislation those clear and specific commitments that we have given to country and regional areas of South Australia.

**Mr FOLEY:** This is outrageous and an absolute nonsense. We got the amendment to the clause three minutes ago. The amendments that someone handed to the Opposition—not even the Premier—cover a full page and go to the very serious issue of country pricing, which I would have thought members opposite would have a particular interest in. The Opposition is given these amendments at 9.30 p.m.

*The Hon. J.W. Olsen interjecting:*

**Mr FOLEY:** I know it has been a rough day for you, but we have to debate this. This is not appropriate and we now find that another amendment has been lobbed onto our desk out of the blue. I do not know whether it is an official parliamentary amendment: it looks like something my kid might have photostatted at school. I have absolutely no idea what it means.

**The Hon. G.M. Gunn:** That is not hard to understand.

**The CHAIRMAN:** Order! For the benefit of the Committee, any member can introduce an amendment at any time. There is no requirement for notice to be given at a certain time before the amendment is brought before the Committee.

**Mr WRIGHT:** On a point of order, Mr Chairman, I seek clarification. With respect to this amendment, is it appropriate that the name—

**The CHAIRMAN:** We are not dealing with that amendment at the moment.

**Mr WRIGHT:** We will be in a moment.

**The CHAIRMAN:** The member for Lee can raise that issue when the amendment is dealt with.

**Mr FOLEY:** I simply make the point that we are debating some of the most significant legislation that this Parliament has seen for many years, yet we get substantial amendments within a minute of our having to make a decision on whether we support or oppose them or wish to further amend them. That is a totally inappropriate and inexcusable way for a Government to treat a Parliament. I am half inclined to suggest that we adjourn the debate until we have had an opportunity to consider these amendments. I simply ask the Premier, in the first instance, to explain to us why these amendments were put on the table only at 9.30 tonight.

**The Hon. J.W. OLSEN:** As the Chairman has indicated, these amendments were placed on the table several hours ago. As I explained to the Committee in introducing the Bill and in the subsequent indication to the Parliament through supplementary items—that is, the Bills that have now been introduced—our objective in this was to ensure that country people had no greater disparity than 1.7 per cent. I would have thought that the member for Hart would support these amendments, because they give legislative force to the—

*An honourable member interjecting:*

**The Hon. J.W. OLSEN:** Well, they are quite clear; it is a simple amendment. It gives legislative force to the commitments that we put down. It does no more and no less than that. It does not chart any new waters whatsoever. It is a clear and specific commitment. It is a binding commitment on the Government. I would have thought the member for Hart would want to bind the Government by legislation to honour the commitment about the maximum variation in price of 1.7 per cent. It is a guarantee that we are putting in. We are prepared to put this in legislation to bind us to that point of parity and pricing—but for 1.7 per cent at the extremes—between the metropolitan and country areas of South Australia.

This is at some considerable cost and price to the Government in the sales process. We made a commitment. What we simply want to do—and we are prepared to do it—is to put that commitment in the legislation. It requires us to keep to the 1.7 per cent, ensuring that the Government, by legislation, honours its policy commitment as put down. In relation to substations, it is simply by way of saying what constitutes the metropolitan area of Adelaide and what constitutes country and regional areas. The substations clearly delineate that metropolitan area. It is no more and no less than that. These amendments have been here for a couple of hours. If the member for Hart has not seen them before, I apologise for that if he wanted to see them before.

*An honourable member interjecting:*

**The Hon. J.W. OLSEN:** I do; I make that point. They are not doing anything—

*An honourable member interjecting:*

**The Hon. J.W. OLSEN:** How generous of you this evening! It does no more than bind the Government. I hasten to add that there is a cost in terms of compromising the sale price. We take the view as a policy, as has been the case with

Governments of all political persuasions in this State in the past, to keep parity pricing: that is what we seek to do and give assurances to country and regional people.

**Mr FOLEY:** Over the past 48 hours, this Parliament has had to go through a very tortuous process to get an apology from the Minister for Industry. Given that the Premier has been so forthcoming with his apology, I welcome the new preparedness of the Government to apologise quickly when it has upset the Opposition. I look forward to that being an ongoing trend. I am quite stunned that the Premier has apologised and I accept the apology. As members would appreciate, this is a detailed amendment.

*An honourable member interjecting:*

**Mr FOLEY:** It does; it refers to my electorate. Whenever I see the word 'LeFevre,' I immediately need to take a close look. I dare say that, if the electorates of any of my colleagues were mentioned, they would do the same, and that would apply to the Kilburn or Morphett Vale substations. We also have one at Parafield Gardens for our colleagues in the north.

*An honourable member interjecting:*

**Mr FOLEY:** You haven't got it back there. Well, you'll have to trust me on this one.

*Mr Venning interjecting:*

**Mr FOLEY:** That wasn't very clever, Ivan. What is the ballpark costing of the 101.7 pricing parity number?

**The Hon. J.W. OLSEN:** As I have previously advised the Committee, it is of the order of $120 million on an annual basis. On the advice that has been given to me, the cost subsidy between the city and country and regional areas of South Australia is of the order of $120 million *per annum*.

**Mr FOLEY:** I want to clarify the $120 million *per annum*. You mentioned that a deposit account will be established in Treasury which will allow the Government to meet that cross subsidy. In earlier debate, you talked of a figure, I think, of $10 million. You were going to take a hunk of the proceeds from the sale price and put it into a special deposit account to fund the cross subsidy. Am I a little confused?

**The Hon. J.W. OLSEN:** The modelling that has been put in place and the structure that has been put in place through to the year 2013 is to ensure that there is no price differential greater than 1.7 per cent. To ensure that there can be no doubt about our *bona fides* in doing that, in addition to that, which is an inbuilt structure for the model to keep it at 1.7 per cent, we have put in place a special deposit account in Treasury into which $10 million will be put, and that can be drawn down as and if and when circumstances apply. If it is not drawn down after 10 years, then it will go back into the consolidated account.

**The CHAIRMAN:** Order! The member for Hart has had—

**Mr FOLEY:** The first one was a clarification.

**The CHAIRMAN:** The member for Hart.

**Mr FOLEY:** I want to work it through a little further. Premier, are you now saying that Treasury will be making a provision of $120 million per year to maintain the country cross subsidy, quite apart from the proceeds from the sale? Following your explanation, it would appear to me that you will be having to make provisioning through the budget process for $120 million, quite apart from proceeds from the sale of the assets?

**The Hon. J.W. OLSEN:** In the one distributor model that has been put in place, a structure is built in upon which there is a cross subsidy between the city and the country. It has been that for 40 years, and Governments of all political persuasions have maintained that subsidy. In going to the one distributor model, we have locked into that structure the cross subsidy. Effectively, it means that city consumers are paying more for the benefit of country consumers.

*Mr Foley interjecting:*

**The Hon. J.W. OLSEN:** And it will be reflected in the process and we accept that it is reflected in the process. We took the view about parity, but for those areas where there is a power line that runs out for X kilometres, where there is a voltage drop over that power line of up to 6 per cent or 10 per cent, say, where it gets out at the farthest end of that line, then the variation can be but 1.7 per cent. You can only model it down to that finite position. It is not possible to do it any further. That is as fine as we can get it. The 1.7 per cent, on average, customer is less than $10 a year.

*Mr Foley interjecting:*

**The Hon. J.W. OLSEN:** When we talk of the 1.7 per cent for some customers—not many customers, but some customers—the actual dollar cost to them, I am advised, is less than $10 per year. It is $10 a year for a customer who is a couple of hundred kilometres out at the end of the line. That is as good as one can get.

*Mr Foley interjecting:*

**The Hon. J.W. OLSEN:** They will be factoring this outcome into the purchase price.

**Ms HURLEY:** Given that this scheme is ensured until 31 December 2013, can the Premier give the Committee any estimates of how much the sale price might be reduced by virtue of this guarantee?

**The Hon. J.W. OLSEN:** The $120 million that we are talking about—the cross subsidy city country—stays: we are putting that in the legislation. That stays in *ad infinitum*, or until a Government wants to dismantle it. If a Government in 2020 wants to dismantle it, it will make a political decision to do that. I guess I will not be here to—

*An honourable member interjecting:*

**The Hon. J.W. OLSEN:** No, I will not have to worry about it in 2020.

*An honourable member interjecting:*

**The Hon. J.W. OLSEN:** I guess you might not either. But the point to make is that this is locked in and the guarantee is there. If we do not legislate—and this is the important thing—through this sale process, from 1 January 2003, the ACCC will set the transmission and distribution pricing. So, from 1 January 2003, taken out of the hands of every State Government is the right to set their transmission and distribution network pricing. So, if we do not act, if we do not legislate, country and regional people, after 1 January 2003, are on their own. I do not have a lot of confidence that the ACCC will give some regard to country and regional areas. I would be concerned that it would go for cost reflective pricing and adjustments, and that would have a devastating effect on country and regional economic development in—

*Mr Foley interjecting:*

**The Hon. J.W. OLSEN:** Yes, this has now been signed off. They have ticked off on this, and they are prepared to accept what we are putting here. What we are effectively doing, for the Deputy Leader's information, is locking in a set of circumstances to give protection for a decade beyond that, which no legislation would give.

**Mr WILLIAMS:** The amendment that we are now debating is one to which I drew the House's attention in my second reading speech as one that I was very interested in,

because clause 15 talks about what is to happen to any proceeds should the ETSA and Optima assets be sold. The amendment that the Premier has introduced just now talks about locking away some of those proceeds and about the guarantees of a minimum differential in pricing of 1.7 per cent between those farthest flung country consumers and their city based cousins. The amendment as proposed by the Premier locks in that 1.7 per cent differential for a certain period of time—namely, until 31 December 2013—and it also sets up a special fund for some of the proceeds to go into to enable that situation to occur.

I have a couple of problems with that, and I propose to move a further amendment to this amendment. The purpose of the further amendment is twofold. First, it is to ensure that, beyond that date of 31 December 2013, small customers outside the metropolitan area will continue to enjoy that differential in pricing, which will be no more than that 1.7 per cent. The other part of the amendment that I am proposing is to require that the funding that would be necessary for that would come out of the budget at that time if it was found necessary, and if the fund set up under the sale process in fact ran out of money at that time. I move to amend the Premier's amendment as follows:

Line 1—After 'funded' insert 'initially':

Line 2—After 'subsection 1(d)' insert 'and subsequently by money appropriate for the purpose'.

Lines 2 and 3—Delete 'until 31 December 2013'.

The purpose of that further amendment is to ensure that the Premier's amendment continues after that particular date and that the funding is available to ensure that it does continue. I commend to the Committee my amendment to the Premier's amendment because it has the effect of merely extending that for a further period. I also commend the Premier on his amendment because it overcomes one of the earlier problems in clause 15 to which I alluded in my second reading contribution.

**Ms HURLEY:** The Premier's amendment refers to small customers. I presume that this means that the Premier assumes that larger customers will benefit from reductions in electricity prices such that their electricity prices will not exceed 1.7 per cent of those for large users of electricity in the city.

**The Hon. J.W. OLSEN:** For country users such as BHAS at Port Pirie and BHP at Whyalla, where indentures have been put in place, my advice is that those indentures will be honoured in the process. Some of those companies have prices that are very competitive, and that will not change. The interstate experience has demonstrated clearly that the largest customers who have purchasing power can shop around for a deal. Because of their purchasing power, we have found more than a 40 per cent reduction in power bills for those companies.

In relation to their having the same price as the metropolitan area, the point is that the transmission position is the same. It does not matter whether you are in the city or the country: those two medium or large businesses with the same purchasing power have exactly the same capacity to negotiate and to get a commercial outcome. The structure will maintain the equality, because the one distributor model locks in the 1.7 per cent variation at the outside. It then depends upon the purchasing power and capacity of the companies, whether they are city or country. Therefore, they are on exactly the same footing.

**Ms WHITE:** I am not sure that I understand fully how this scheme will operate. As I understand the purpose of your amendment and this 1.7 per cent maximum differential between country and city small users, the Government is saying that it will look at the price that the provider wants to charge country users and, if that exceeds by more than 1.7 per cent the cost of electricity for city users, it will subsidise that difference. I am not quite sure. How do you ensure that the provider does not over-inflate the amount that it wants to charge country users in order to obtain that subsidy from the Government?

**The Hon. J.W. OLSEN:** The independent regulator has a role in setting the regulations within which the industry can operate. The 1.7 per cent figure is not the inflated price for country areas to which the honourable member refers; it is the cross-subsidy from the city consumers, within the boundaries that I have nominated, who will pay slightly more for their power to give parity of pricing with country areas, the maximum of which is 1.7 per cent at any point. If any area is over the 1.7 per cent, then, out of the $10 million deposit fund, a CSO will be applied so that no-one pays more than the 1.7 per cent.

**Mr CLARKE:** The Premier announced what he thought would be a saving to the Government as a result of the sale of ETSA and Optima Energy. That was this touted figure, which I will not dispute, although I do dispute the figure of $2 million a day saving in interest payments. However, let us not get into that argument tonight. When the Premier made that announcement, had he factored in the cost of the rural subsidy—the $120 million—and over what period was that factored in?

**The Hon. J.W. OLSEN:** For the Committee's guidance, I will reiterate and clarify the point: the 1.7 per cent, as the amendment clearly indicates, relates to purchases by customers, less their 160 megawatt hours per year. In relation to the honourable member's question, the cross-subsidy which we talk about, that is, up to $120 million per annum, is locked in. That runs *ad infinitum*; there is no limit to that. That goes out until such time as a future Parliament decides to change the structure or the legislative requirement on the distributor company. So, the parity about which we talk will operate for the foreseeable future; there is no cut-off date.

Should we not act, or should we not legislate, then from 1 January 2003 the ACCC will decide the transmission and network pricing. If it charges cost reflective pricing, then I put to the honourable member that you will get a disparity between the country and city areas. So, we are building in a protection for country and regional areas of the State. To do nothing will leave them exposed to ACCC pricing.

**Mr CLARKE:** I understand what the Minister is driving at, but my point is that you have told us today that the cost of this cross-subsidy is $120 million a year. The Government's legislation locks it in to 2013, and beyond that it is up to the Government of the day whether it maintains it. Was that rural subsidy factored into what the Premier has touted in respect of the sale of Optima and ETSA that will save the Government $2 million a day in interest payments?

**The Hon. J.W. OLSEN:** Yes. I point out to the honourable member that we are not doing anything different from what is legislatively required to give protection from 1 January 2003 post an ACCC pricing opportunity. We are effectively maintaining the practice of the past four or five decades since the introduction of ETSA in terms of pricing parity between city and country areas. We have pursued this position in our negotiations for this structure because we wanted to maintain that equity for country and regional consumers. It is factored into what we anticipate might be the

retail price. Therefore, it is factored into the reduction of the $2 million a day interest by debt retirement.

Amendment to amendment carried; amendment as amended carried; clause as amended passed.

Clause 16.

**Mr FOLEY:** As part of the Government's sale process, what State Government taxes, charges, fees, etc., will be waived? Obviously, as provided in the Bill, stamp duty will be waived. I am not asking at this stage what the incentives will be for the new power station as part of the disaggregation of Optima, but will the Government offer any other inducements to potential buyers of these assets such as the waiving of taxes?

**The Hon. J.W. OLSEN:** No. We do not anticipate forgoing any of those normal commercial revenues. The restructuring that will take place under these restructuring Bills, which the Government must undertake whether or not ETSA is privatised, will be done by Government. Because the Government will undertake the restructuring of its own instrumentalities—one would not expect there to be any transfers—it is not intended to waive any of those normal fees as an inducement for sale.

**Ms HURLEY:** Has the Government received any indication of the end of year financial results from Optima?

**The Hon. J.W. OLSEN:** Not as yet. I am advised that those figures will be available in September.

Clause passed.

Remaining clauses (17 to 24), schedules and titles passed.

**The Hon. J.W. OLSEN (Premier):** I move:

*That this Bill be now read a third time.*

The House divided on the third reading:

AYES (22)

| | |
|---|---|
| Armitage, M. H. | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Condous, S. G. |
| Evans, I. F. | Gunn, G. M. |
| Hall, J. L. | Hamilton-Smith, M. L. |
| Ingerson, G. A. | Kerin, R. G. |
| Kotz, D. C. | Lewis, I. P. |
| Matthew, W. A. | Meier, E. J. |
| Olsen, J. W.(teller) | Penfold, E. M. |
| Scalzi, G. | Venning, I. H. |
| Williams, M. R. | Wotton, D. C. |

NOES (22)

| | |
|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O.(teller) |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. |
| Key, S. W. | Maywald, K. A. |
| McEwen, R. J. | Rankine, J. M. |
| Rann, M. D. | Snelling, J. J. |
| Stevens, L. | Thompson, M. G. |
| White, P. L. | Wright, M. J. |

PAIR

| | |
|---|---|
| Such, R. B. | Koutsantonis, A. |

**The SPEAKER:** There are 22 ayes and 22 noes. I cast my vote for the ayes.

Third reading thus carried.

## CITY OF ADELAIDE BILL

Adjourned debate on second reading.

(Continued from 21 July. Page 1490.)

**Mr ATKINSON (Spence):** As I was saying last night, the City of Adelaide is very much a special case in local government and should be treated quite differently from any other council in South Australia. I was coming to the issue of rate rebates. The City of Adelaide offers its residents, if they are living in a home that they own, a rebate on their rates of 45 per cent. This recently was reduced to 40 per cent. An article in the *Advertiser* on Saturday entitled 'Welcome to Easy Street' states:

> The owner of a house worth $450 000 might have paid $811 in rates after the rebate was applied, while his golf buddy living in his similarly valued home in Unley paid $1 673, Walkerville, $1 461, Charles Sturt Council [my own] $1 859 and Burnside $1 652.

**Mr Lewis:** A lot of money.

**Mr ATKINSON:** A lot of money, as the member for Hammond says, and a benefit that the member for Adelaide himself reaps in a big way. The original purpose of the rebate seemed to be a good one when introduced in about 1975. The original purpose was to try to attract people back to live in the city square mile of Adelaide after progressive depopulation of the square mile over several generations. So, whereas in 1920 the population of the city had been 45 000—and of course the west end of the city supported a whole football team, namely, the West Adelaide Football Club—by 1981 it had fallen to 12 656, and I think it was a laudable aim to try to restore people to the city square mile. Nevertheless, there were many disincentives to coming back to live in the city square mile, including the noise, the hustle and bustle and the motor traffic. Of course, there were still some manufacturing works in the square mile, causing emissions, and there were many automotive workshops and garages in the square mile, which were not resident friendly. So, I think the 25 per cent rate rebate to bring people back to live in, say, Gilles, Halifax, Sturt and Waymouth Streets was a good idea.

I would still support a modest rate rebate for the square mile, but where the rate rebate became a rort was when it was extended to North Adelaide, which is nothing but a swanky suburb. It is not the city: it is a suburb and a very nice suburb, which receives a great deal of infrastructure boost from the rates generated from commercial premises in the square mile. So, North Adelaide had this parasitic relationship with the square mile, and I am glad to see that the Liberal Government is now doing something to wind back that rate rebate.

The Government Bill would have the rate rebate phased out over the whole city over five years. I understand that the member for Colton will move an amendment to have the rate rebate phased out over three years, and the Opposition will give that its earnest consideration. But what I would much rather see is a modest rate rebate retained for the square mile and the rate rebate abolished immediately for North Adelaide, because people such as the member for Adelaide should not be putting dollars in their pocket that are generated by people in the suburbs and elsewhere in South Australia coming from outside the parklands to spend money in the City of Adelaide. Most of Adelaide's rate revenue is generated that way, and the member for Adelaide should not be stuffing that money in his pocket by way of a rate rebate on his mansion in Molesworth Street.

I was astonished when I read in an *Advertiser* article under the heading 'Welcome to Easy Street' the statement from Councillor Anne Moran, councillor for one of the North Adelaide wards, that 'quite a lot of tight budgets operate behind those pretty doors.' I notice the member for Colton laughing, and well he might laugh. This was trying to justify a cross subsidy from average South Australians to people

who own their own property in North Adelaide. I would not mind the rate rebate for North Adelaide so much if it were extended to all residential property.

For instance, if one owns a dwelling or a group of dwellings in North Adelaide and one rents those dwellings out to students or other tenants, why should they not get the rate rebate? They are bringing people back to live in the City of Adelaide. But, no, the member for Adelaide, Councillor Anne Moran and Alderman Bob Angove of North Adelaide make damn sure that those residents do not get the rate rebate. Why do they not get the rate rebate? Because they are tenants; they are a different class of people. They are a class of people whom the member for Adelaide does not want living in North Adelaide. All he wants are owner-occupiers. They are the only people who get the benefit, and therefore it is an immoral benefit, and I support the Minister for Local Government, representing the Liberal Government, in getting rid of the rebate.

It amuses me because only 12 months ago the member for Adelaide put out a leaflet across the whole city complaining about my opposing the rate rebate for North Adelaide. I do not know why he put it out in the city, because I only ever opposed the rate rebate for North Adelaide, and he was going to be the great defender of the rate rebate. Let us put it on the record now that the member for Spence would support a rate rebate for residents and tenants living in the square mile, but it is the member for Adelaide who will vote for the phasing out of the rate rebate across the whole city. That is a fact, and I hope that I will have an opportunity to tell those residents by my own leaflet the way the member for Adelaide votes.

I support the Capital City Committee, the idea of three councillors and three Ministers meeting four times a year. I hope the Ministers will be able to persuade the councillors that there are certain things in the city that ought to be done on behalf of people who live outside the parklands. I think that the committee is a good idea.

The Lord Mayor (Jane Lomax-Smith) has said, 'I feel easy about whatever you want to do with the rates.' Labor will certainly be supporting an end to the rate rebate in North Adelaide, and we look forward to any amendments that might come forward to the Government Bill that would be more subtle in their effect and perhaps get rid of the rate rebate for North Adelaide but preserve it to some extent in the square mile.

I will also move an amendment to the Objects clause of the Bill, whereby I will try to make it plain that the council ought to act in the interests of people who live outside the boundaries of the parklands and that the question of access to the city ought to be on the agenda.

*The Hon. G.M. Gunn interjecting:*

**Mr ATKINSON:** For the benefit of the member for Stuart, I point out that I have not mentioned that place yet, and I do not intend to in my second reading speech. But I will say this: I do think the residents of North Adelaide have to make up their mind whether they live in the City of Adelaide or whether they live in an exclusive suburban enclave rather like Mira Monte, because one of the reasons that dwellings in North Adelaide are of such high value is their proximity to the central business district. People want to live in North Adelaide because it is a very pleasant place and it is close to the city. If you take that benefit of living close to the city, you have to take certain things that go with it. The people in the rest of metropolitan Adelaide will use North Adelaide for the facilities that are there and they will use North Adelaide as an access to the central business district. That is what comes with living in North Adelaide.

It is very important that in this Bill we preserve access to the City of Adelaide and to North Adelaide for people who live outside the parklands. At the moment, roads can be closed there by a simple resolution under section 359 of the Local Government Act—no consultation necessary, just a simple majority vote of the Adelaide City Council. They might close O'Connell Street; they might close Unley Road; they might close Sir Lewis Cohen Avenue; they might close Wakefield Road; or they might close Bartels Road. Members ought to think about it.

**Mr MEIER** secured the adjournment of the debate.

## ADJOURNMENT

At 10.25 p.m. the House adjourned until Thursday 23 July at 10.30 a.m.