HOUSE OF ASSEMBLY

Tuesday 27 June 2000

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

ASSENT TO BILLS

His Excellency, the Governor, by message, intimated his assent to the following bills:

Children's Protection (Mandatory Reporting and Reciprocal Arrangements) Amendment,

Corporations (South Australia)(Miscellaneous) Amendment,

Criminal Law Consolidation (Sexual Servitude) Amendment,

Dairy Industry (Deregulation of Prices) Amendment,

National Tax Reform (State Provisions),

Police (Complaints and Disciplinary Proceedings) (Miscellaneous) Amendment,

Statutes Amendment (Extension of Native Title Sunset Clauses),

Statutes Amendment (Public Trustee and Trustee Companies—GST),

Statutes Amendment (Warrants of Apprehension).

PROSTITUTION

Petitions signed by 426 residents of South Australia, requesting that the House strengthen the law in relation to prostitution and ban prostitution related advertising, were presented by the Hons D.C. Kotz, R.B. Such, and D.C. Wotton and Mr Hill, Ms Rankine and Mr Williams.

Petitions received.

LIBRARY FUNDING

Petitions signed by 454 residents of South Australia, requesting that the House ensure government funding of public libraries is maintained, were presented by Messrs Lewis and Williams.

Petitions received.

SPEED LIMITS

A petition signed by 25 residents of South Australia, requesting that the House support legislation to increase the speed limit on sections of the Stuart, Eyre and Barrier Highways and Hawker to Lyndhurst Road to 130 kilometres per hour, was presented by the Hon. G.M. Gunn.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Primary Industries and Resources (Hon. R.G. Kerin)—

- Regulations under the following Acts—
  - Animal and Plant Control (Agricultural Protection and Other Purposes)—Keeping of Rabbits—Revocation
- Fisheries—
  - Abalone Fisheries—Fees
  - Blue Crab Fishery—Fees
  - General—Fees
  - Lakes and Coorong Fishery—Fees
  - Marine Scale Fisheries—Fees
  - Miscellaneous Fishery—Fees
  - Prawn Fisheries—Fees
  - River Fishery—Fees
  - River Murray—Native Fish
  - Rock Lobster—Fees
- Livestock—
  - Cattle Compensation Fund
- Livestock Identification
- Primary Industries Funding Schemes—Cattle Industry Fund
- Stock Foods—Variation of Interpretations

By the Minister for Human Services (Hon. Dean Brown)—

- West Beach Trust—Report, 1998-99
- Regulations under the following Acts—
  - Controlled Substances—Variation of Interpretation
  - Development—New Building
  - Motor Vehicles—National Heavy Vehicle Charges
  - Passenger Transport—Safety, Security and Fare Compliance
  - South Australian Health Commission—Flat Service Fee
- Waikerie Hospital and Health Services Incorporated—By-Laws

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

- Regulations under the following Acts—
  - Workers Compensation and Rehabilitation—
    - Medical Practitioners Charges—GST
    - Scale of Charges—GST
    - TXU (No. 4) Pty Ltd—Crown Agency

By the Minister for Education and Children's Services (Hon. M.R. Buckby)—

- Education Adelaide—Report, 1998-99
- Public Corporations Act—Regulations—Hills Transit Dissolution
- RESI Corporation—Ministerial Directions—Sale and Lease of Gas Trading Business
- Transmission Lessor Corporation—Ministerial Directions—Interim Dividend to RESI Corporation

By the Minister for Environment and Heritage (Hon. I.F. Evans)—

- Regulations under the following Acts—
  - Emergency Services Funding—Remissions on Motor Vehicles and Vessels
  - Liquor Licensing—Dry Areas—Coober Pedy
- Rules of Court—Magistrates Court—Magistrates Court Act—Mental Impairment Provisions
- Rules of Racing—Racing Act—Greyhound Racing—Parade Steward.

PUBLIC WORKS COMMITTEE

The SPEAKER: I lay on the table the 128th report of the Public Works Committee, on the Port Adelaide Environment Improvement Project, Stage 1, Queensbury Wastewater Diversion, which has been received and published pursuant to section 17(7) of the Parliamentary Committees Act 1991.

QUESTIONS

The SPEAKER: I direct that the written answers to questions, as detailed in the schedule I now table, be distributed and printed in *Hansard*: Nos 96, 103 and 115.

GOVERNMENT ADVERTISING

In reply to **Ms THOMPSON (Reynell)** 1 June.

The Hon. J.W. OLSEN: The total cost for the production and broadcast of the post-Budget television announcement was $58 684.

MODBURY HOSPITAL

In reply to **Mrs GERAGHTY (Torrens)** 25 May.

The Hon. DEAN BROWN: The cracking of the outside brickwork around the windows on the southern side of the main building was the subject of an investigation undertaken in February 1996 by consulting engineers Connell Wagner and commissioned by architects, Brown Falconer. The results of the investigation concluded that the brickwork in this area suffers from a term called 'brick growth' which is a common fault for bricks manufactured in that era. The report suggests that the structural integrity of the building is not impaired in any way and the risk of falling materials is minimal. Any materials falling from this vicinity will impact on the solid concrete roof slab of the southern wing directly below and is far removed from a pedestrian traffic area. The worst affected area is around the window of the second floor opening.

As this issue has now been raised again it would be wise to re-investigate the situation to establish if further movement has occurred over the past four years.

CRESTVIEW RETIREMENT VILLAGE

In reply to **Mrs GERAGHTY (Torrens)** 25 May.

The Hon. DEAN BROWN: The Department of Human Services (DHS) through the Office for the Ageing (OFTA) has been providing information, assistance and advice over a lengthy period of time to the member's constituent. Insurance Adjusting Services (Australia) Pty Ltd, which is acting on behalf of Australian Retirement Homes (ARH) has recently assessed and confirmed the damage quoted after receipt of an engineer's report. Options regarding repair have been discussed between the engineer and the resident concerned, who is now satisfied the matter is progressing. ARH has provided assurance to this resident that the identified problems will be rectified as promptly as soon as possible.

I have also personally contacted the chief executive officer of ARH, who has given the matter personal attention, and I have sought regular advice on the repairs until there is a satisfactory conclusion.

GOODS AND SERVICES TAX

In reply to **Ms WHITE (Taylor)** 11 April.

The Hon. M.R. BUCKBY: There are a number of issues in relation to this particular question based on the Australian Taxation's Office (ATO) recommendation on page 33 of their 'schools' booklet. The example which is given is specific and there are a range of grants that local government could make to schools which would attract different taxation treatments. Two recent taxation rulings have been provided on the tax treatment of grants, as follows:

- The first ruling provides that appropriations between one Government Related Entity (GRE) and another Government Related Entity will be excluded from the GST (e.g., a local council and a public school are both GREs). Therefore, if there is no provision of goods, services or exchange of property rights, then any funds provided by councils to public schools will be excluded from the GST.
- The second ruling that will impact on the taxation treatment of local government grants is 'Grants of Financial Assistance'. A grant provided to an entity to provide services to a third party will be taxable. Therefore a grant provided by a GRE (e.g., local council) to a non-government organisation (e.g., non-government school) would be taxable. If however, a council provides funding to a public school and there are conditions attached to that funding (e.g., results in a joint use agreement), then this transaction will be taxable

In those instances where the grants are taxable, Councils can 'gross-up' the grant by 10 per cent, as a method of ensuring registered entities do not suffer reduced funding. This is similar to the direction taken by the state government in relation to grants to registered non-government organisations. Councils will subsequently be able to claim an input tax credit, therefore there will be no net effect on council. Subsequently the school will pay the tax, also with no net effect.

The Department of Education, Training and Employment is planning to write to the Local Government Association of SA in an attempt to influence policy and to achieve a consistent policy in relation to grants to schools. In addition, departmental officers will be available to provide schools with advice when negotiating with Councils for the provisions of grants.

EDS PAYMENTS AND RECEIPTS

In reply to **Ms HURLEY (Napier)** 21 October 1999.

The Hon. M.H. ARMITAGE: The review by the independent consultant is complete and the final report is with the Department for Administrative and Information Services (DAIS).

The review highlighted the complexity of the EDS billing arrangements and made recommendations for streamlining the processes. It proposes the introduction of more appropriate methods of verifying the accuracy of the EDS charges and following up outstanding amounts owed by State Government agencies to DAIS.

DAIS has commenced the implementation of the recommendations including introduction of streamlined processes and procedures and formal documentation of the EDS billing and recovery processes.

Actions to date already taken include updating the billing software used by DAIS and streamlining the agency billing arrangements. Formal documentation of the procedures has been completed.

ECONOMIC AND FINANCE COMMITTEE

The Hon. G.M. GUNN (Stuart): I bring up the 30th report of the Economic and Finance Committee, on the 2000-01 emergency services levy and move:

That the report be received.

Motion carried.

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

That the report be published.

Motion carried.

QUESTION TIME

MOTOROLA

The Hon. M.D. RANN (Leader of the Opposition): Will the Premier now publicly release the full report of the Prudential Management Group commissioned personally by the Premier to investigate unfinished business from the Cramond report into the Motorola affair? In response to the Cramond—

An honourable member interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: You might want to listen. In response to the Cramond report, the Premier announced on 11 February last year that the Prudential Management Group would follow up on unfinished business in the report to improve government processes and that he would bring back a report to the parliament. The opposition has been informed by sources within the Premier's department that the Prudential Management Group reported back to the Premier in September 1999. The Premier has yet to bring the report or table it in the parliament

The SPEAKER: Order! The member is now commenting.

The Hon. J.W. OLSEN (Premier): I will seek some of the information that the Leader requires.

Mr Atkinson interjecting:

The SPEAKER: Order, the member for Spence!

Members interjecting:

The SPEAKER: Order! Before calling the next question, I advise members that questions for the Minister for Aboriginal Affairs will be taken by the Minister for Water Resources.

AUSTRALIAN SUBMARINE CORPORATION

Mr HAMILTON-SMITH (Waite): Would the Premier explain to the House the importance of the federal govern-

ment's decision regarding the Australian Submarine Corporation to the future of the state's defence industry? There have been media reports in recent weeks speculating about the future of the ASC. Those reports have indicated that a decision by the government to lift its ownership could prepare the ASC for on sale and, with that, the prospect of even further jobs and further opportunities in the defence industry in this state.

The Hon. J.W. OLSEN (Premier): I acknowledge the member's interest in defence-related matters and the defence industry in this state. Federal cabinet's decision to take up 49 per cent shareholding in the Australian Submarine Corporation is a significant step towards securing the long-term future of that company. While this is an in principle decision and the commonwealth will not be taking up ownership until price is agreed, we welcome the move as it recognises the importance the government attaches to ensuring the best possible outcome for bringing the Collins class submarines to a fully operational state and supporting them through their operational life.

During the past six months, we have had numerous meetings and discussions with federal ministers and the Prime Minister to seek this particular outcome, arguing the importance of the ASC and its work force to the South Australian economy. The decision opens the way for the commonwealth to secure a buyer committed to expanding the company and developing its full potential. At the end of the day, our aim as a state government has been to see the Osborne facility be given the opportunity to become the designated primary Australian ship building yard for submarines and surface vessels in Australia and that there is the opportunity for the ASC to attract other heavy engineering work unrelated to submarines or surface ships in order to provide a diverse work base to smooth out the peaks and troughs we are seeing at the moment.

That is just reward, I would think, for the work force and management who have given their all in terms of support in what have been difficult circumstances for ASC management and staff in recent times, particularly with periods of uncertainty. We must now ensure that the ASC attracts the best possible buyer to ensure the long-term future of the Australian Submarine Corporation. For the past two years we have been having discussions with a number of Australian and international defence-related companies seeking their interest in locating and establishing in South Australia.

We now have, through the ASC and the federal government's decision, an opportunity for the best ship-building facility and most modern of its type, backed by a skilled work force, in Australia, available to be the foundation for investment by an Australian-based defence company or an international consortium. We will focus and channel our resources into attracting a buyer that will build on our state's defence industry because it is an important industry sector. A recent ADF report indicated that the defence industry contributed $800 million to the state's economy. The sector directly employs some 6 400 people and, with a multiplier effect, is therefore responsible for approximately 14 800 jobs in that industry sector in our state.

Maintenance of defence expenditure in South Australia demonstrates the effectiveness of the government's strategy in relation to retaining and attracting defence facilities in industry and also reinforces the importance of the excellent workplace relations that prevail in this state. South Australia continues to show consistently good results in connection with industrial disputations. The attitude of this state's work force sets us apart from the other states of Australia.

The Hon. M.D. Rann: The unions.

The Hon. J.W. OLSEN: Yes, and I acknowledge that. The attitude of the work force is now becoming a competitive advantage, we argue, when we are trying to attract companies or further expansion dollars into South Australia. The amount of working days lost per thousand employees for the 12-month period to January 2000 has dropped to 28 from 29 the previous year. In addition, South Australia's figures are well below the national figure in terms of working days lost per thousand employees for the 12 months to January, that being 89. The Australian average is 89; we, in South Australia, lost 28 days, and that is an excellent record.

The Submarine Corporation has a number of natural assets: first, a skilled work force has been developed over a period of time, the workmanship of which has been exemplary and is not the basis for the difficulties with the submarines that have been launched to date. That is the first point that needs to be made. Secondly, and importantly, we have a defence-related industry, in addition to support services and subcontract opportunities, to assist a defence company based in South Australia. Thirdly, the Osborne facility is one of the most modern in Australia.

That facility therefore has an efficiency level available to it that would otherwise not be the case; and an advantage in that is that there is no requirement for a major infrastructure spend to put in place a facility for submarines and surface ship vessels. If one adds to that a commitment by the federal defence minister, which we sought and obtained several months ago, life support (about 20 years) for the submarines will be undertaken at the Adelaide facility. That then means a revenue flow as a result of maintenance and life support through the Adelaide facility which is therefore an attractive option to a possible purchaser of the Australian Submarine Corporation.

As I mentioned earlier, the state government has had discussions and, in about five weeks, it will conduct further discussions in relation to potential purchasers and consolidation within South Australia. We will use our resources as a government to attract and market the advantages of South Australia to give greater certainty to the work force and to retain the skills base in South Australia and, importantly, a defence/electronics-related industry that is very important to the economic base of this state.

CAMBRIDGE, Mr J.

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Premier. Did the Prudential Management Group, in its report to the Premier on matters arising out of the Cramond report, make critical remarks about John Cambridge and his role in the Motorola affair? The PMG was made up of the Chief Executive Officer of the Department of Premier and Cabinet, the Chief Executive Officer of the Department of Justice, and the Under Treasurer. It is understood the Premier received a copy of the PMG's report in September last year—the same month that Mr Cambridge was reappointed to the CEO's position at the Department of Industry and Trade.

The Hon. J.W. OLSEN (Premier): I would need to go back and check to see whether I have received such a report. I cannot recall having received it. With regard to the leader's first question, we will go back and ascertain whether such a report has been received. Therefore, as to the content of the

report, I would simply have to find out whether it has been received, whether I have had a look at it and what was my response to it. I do not know about this. We are talking about something that happened last year.

WHYALLA AIRLINES

Mrs PENFOLD (Flinders): Will the Minister for Police, Correctional Services and Emergency Services advise the House of the Australian Transport Safety Bureau's preliminary report into the crashed Whyalla Airlines flight 904?

The Hon. R.L. BROKENSHIRE (Minister for Police, Correctional Services and Emergency Services): I know the concerns that all members in this House—particularly the honourable member responsible for representing Whyalla—have regarding this tragedy in Whyalla. Today I received a copy of the preliminary investigation from the Air Transport Safety Bureau. That is a preliminary and very brief document.

In summary, it deals only with the sequence of events leading up to the tragedy on that evening and not with any of the issues around why the engines failed. In fact, further investigations are occurring with respect to the failure of both engines and the other circumstances that caused the plane to ditch that evening. I understand that it will be six months, or maybe longer, before the bureau of safety has finished its full investigation. So, it may be six months or more before we are able finally to find out what happened on that tragic night.

I wish also to report to the House that I wrote to the federal Minister for Transport regarding some issues related not specifically to the circumstances around that tragedy that night but generally to the fact that that aircraft and a number of aircraft in South Australia—and, indeed, right around Australia—fly over water without carrying lifejackets and life rafts.

Following representations I have received from a broad sector of the community and from discussions I have had with other members of parliament here, we all agree that this is something that should be looked at as a matter of absolute urgency. Anything we can provide that may save a life is clearly a cheap investment.

I would like to give some advice to the House on what is happening with the search now. As members would know, eight people were lost when the plane had to ditch. The bodies of seven of those people have been recovered, and an eighth person is still missing. That matter has already been discussed today, and it will be discussed further in private members' time. I will take the opportunity then of thanking sincerely all those people involved in the search.

At this stage the search is not over: it is still continuing. Every two to three days 12 State Emergency Service volunteers go out in three vehicles from Whyalla and patrol an 80 kilometre section of the gulf and then meet up with the Port Pirie SES, which has six members going out there doing the same thing.

The tidal movements are rather significant in the upper end of the gulf at this time of the year. Therefore, it is essential that they cover that very broad range of area. I know that the SES is keeping in touch with the family of the missing person, and all of us in this House extend our sympathies to all the families, including the Schupann family, which is still waiting to receive news regarding the missing person.

In conclusion, again I would like to put on record the appreciation of the whole community for the work that is being done by all the volunteers and paid people. I was there on the first day immediately after the tragedy, so I know just what that does to the spirit of a close-knit community such as Whyalla. It is an absolute tragedy. However, out of that came an enormous commitment and effort to ensure that the community there, the police, the SES, the CFS, Surf Life Saving SA and a range of other organisations such as the Sea Rescue Squadron were all there doing their very best to try to assist those people who have been tied up in that tragedy.

CAMBRIDGE, Mr J.

Ms HURLEY (Deputy Leader of the Opposition): Has the Premier written or requested of the Attorney-General that the CEO of the Department of Industry and Trade, Mr John Cambridge, be indemnified by the state for costs and legal expenses relating to the legal action he lodged against the *Australian* newspaper on 8 June (just one week prior to his appearance before estimates), even though Mr Cambridge was the plaintiff and not the defendant? The opposition has been informed that the Attorney-General received the Premier's request but refused it, on legal advice.

The Hon. J.W. OLSEN (Premier): Yes.

PUBLIC EDUCATION WEEK

The Hon. R.B. SUCH (Fisher): Thank you, Mr Speaker—

Members interjecting:

The SPEAKER: Order! The honourable member for Fisher has the call.

The Hon. R.B. SUCH: My question is—

Members interjecting:

The SPEAKER: Order, the member for Hart!

The Hon. R.B. SUCH: Can the Minister for Education and Children's Services outline some of the exciting initiatives that are to occur during the celebration of Public Education Week?

The Hon. M.R. BUCKBY (Minister for Education and Children's Services): It is Public Education Week this week in South Australia, and our achievements over the years give us much to celebrate, because we have a public education system that certainly is the envy of many others around the world. I have seen education systems in New Zealand, England, Scotland and Ireland, and I am constantly asked by those whom I meet in those places about the cutting edge programs that are being undertaken here in South Australia. We have them in abundance in South Australia—and I point out to the House the Windsor Gardens Vocational College, which is leaping ahead in success; the Christies Beach Vocational College, which commenced this year, incorporating eight schools from that area; the new Australian Maths and Science School, which is in the formation stage this year and which was announced in the latest budget; and Mawson Lakes School, which is at the leading edge of our schools in South Australia in terms of information technology with respect to computer literacy and the computers that our students are using in that school. We can be very proud of our achievements and celebrate those achievements this week. However, there is one individual who is not at all proud of what our teachers and our students are achieving in public education. I speak, of course, of no other—

Members interjecting:

The SPEAKER: Order! There are too many interjections across the chamber while the minister is answering the question.

Mr Foley interjecting:

The SPEAKER: Order! I caution the member for Hart.

Members interjecting:

The SPEAKER: I warn the member for Hart for interjecting after he has been called to order.

The Hon. M.R. BUCKBY: As I said, there is one individual who is not at all proud of what our teachers and our students are achieving in our public education system. I speak of someone who believes that he represents educators in South Australia, and that is the President of the Teachers Union. I cannot believe this person's antics—the person who purports to advocate for public education; the person who has the greatest habit of misleading South Australians about public education in this state. In fact, he continues to run down our teachers and our communities in the very week that they are celebrating students' achievements.

The Hon. M.K. Brindal: It's a disgrace.

The Hon. M.R. BUCKBY: As the Minister for Water Resources has just said, it is a disgrace. He is once again on the public record as a knocker of our public education system. Every time he derides the system, people in the private system clap their hands with glee, because they know that there will be more private students: there will more parents looking to send their students into the private system. Let me give an example. He said about South Australian public education:

> We have slipped from being one of the best in the world to one of the worst when it comes to resources.

Wrong—and what arrant nonsense! If a student made such an outlandish claim, we would be concerned about their well-being. In fact, to go further, the Evatt Foundation—the economic think tank of the Labor Party—recognises South Australia as number one in terms of resources for education.

Our expenditure per student is well above the Australian average and, as I said, recognised by the other side. In fact, even more money would be going into education per student if the president of the union had agreed to the very generous 13 per cent wage increase that we offered to teachers in 1998. In fact, the president said that over $100 million has been cut over the past decade from education. Wrong! The equivalent budget in 1990 under Labor was a mere $1.1 billion. Our budget this year is $1.7 billion, an increase of $600 million. The AEU is wrong again, but that is what we have come to expect from the leadership of the AEU. It is deplorable that the union's mouthpiece continues to misrepresent the facts on every occasion that he speaks in public. However, we know that it is the only way in which he can get a headline—and the latest is a five-point plan. There is only one problem with that: when you look at the press release there are eight points. I can only assume that he has had a problem with numeracy as well as misleading.

He says that their five-point plan includes middle school reform, but we have been undertaking middle school reform for years. For example, Seaford High School, an R-12 school in the electorate of the member for Kaurna, has an excellent middle school. We are developing middle school policy at numerous other schools. So, I would say that the union leader is well out of touch. He talks about reducing class sizes, but we have one of the best teacher-student ratios in the nation. In fact, the teacher-student ratio in South Australia is leading the nation and it is better than the teacher-student ratio in the private sector.

He wants more policy making powers for teachers and parents. I ask members: what is Partnerships 21? Over 40 per cent of our schools in South Australia have taken up Partnerships 21. In the country, 54 per cent have taken it up and the number is increasing. This is exactly what Partnerships 21 gives: more say to principals, teachers and parents in our schools. The president says that he wants to attract talented people into the teaching profession. I will give him this tip: he is the single best factor in keeping them away. No-one—but no-one—talks down public education and the successes of our students and teachers more than the president of the teachers' union. I would say that he is public enemy number one when it comes to public education. The union now appears to be so extremely confused by its own misinformation campaign that its president can no longer determine fact from fiction.

It is Public Education Week. The other day I launched Public Education Week along with the teachers and students of Hewitt Primary School in my electorate. It is an extremely fine school and one that is doing an excellent job for its students, and I commend the teachers and the whole staff at Hewitt Primary School. As part of Public Education Week, I have invited all public schools—small schools, metropolitan schools, country schools and isolated schools—to take part in a competition to design a strategy to promote their school. I have asked students to identify what they think is the best thing about their school. The strategy can cover a range of ideas. It might be producing a banner, a web site, a video, a newsletter or something to promote their school to their local community.

The three best proposals will receive a prize of $1 000 for their school plus $200 for the student or group of students responsible for those ideas. The school to which I have spoken is very enthusiastic about taking this up. Public Education Week is a time to focus on the positives of public education—and there are many positives in South Australia, because we are leading this nation and many places in the world in terms of public education. I wish all students, teachers and parents the best of success during Public Education Week.

CAMBRIDGE, Mr J.

Ms HURLEY (Deputy Leader of the Opposition): Why did the Premier request of the Attorney-General that John Cambridge, the CEO of the Department of Industry and Trade, be indemnified by the state for his costs and legal expenses relating to the legal action that he lodged against the *Australian* newspaper, and was this done at the request of Mr Cambridge?

The Hon. J.W. OLSEN (Premier): I am glad that there has been a follow-up question to the leader's question, because it gives me the opportunity to clarify the matter, should there be any misunderstanding of my reply to the leader's question as seemed to be the case on the opposition benches. In the explanation of his question, the leader said that Mr Cambridge received no indemnity. That is what I replied yes to. Let it be clearly understood: Mr Cambridge is not being indemnified at all by the government. It was explained to Mr Cambridge that the same applies to him as it does to ministers, that is, if you take the action—

Members interjecting:

The SPEAKER: Order! Let the Premier reply and we will all hear his answer.

Mr Foley interjecting:

The Hon. J.W. OLSEN: I will answer the deputy leader's question. The same applies to Mr Cambridge as it does to

ministers. If they take an action, they do so at their own personal risk. Those are the rules that have been set down, clarified and communicated to everyone, and that is what was communicated to Mr Cambridge, the same as it applies to ministers.

Mr Foley interjecting:

The SPEAKER: Order! The honourable member can ask another question shortly.

ELDERS RURAL BANK

Mr VENNING (Schubert): My question is directed to the Premier.

Mr Foley interjecting:

The SPEAKER: Order, the member for Hart!

Mr VENNING: Will the Premier advise the House of the likely benefits to the South Australian economy following the announcement earlier today of the establishment of the Elders Rural Bank?

Members interjecting:

The Hon. J.W. OLSEN (Premier): I thank—

Members interjecting:

The Hon. J.W. OLSEN: Members opposite have had a bad couple of estimates committee weeks, haven't they? One can see them come into the chamber this week, having had a couple of bad weeks of estimates committees. The member for Hart and others have been going around to the journalists, and are sending their press secretaries out, saying, 'During these estimates committees, we weren't going for many king hits—that was part of our strategy.' After two weeks of estimates committees, not having laid a glove on any minister, they then scoot around to the journalists and say that that was not really part of their tactics or strategy. Apparently they are saving it all for next year. They have told the journalists that they are waiting for next year and that they were not worried about this year.

Regarding the honourable member's question, I am delighted to advise the House that earlier today the federal Minister for Financial Services and Regulation, Joe Hockey, signed the final approvals for the granting of a full banking licence to Elders Rural Bank. The minister's approval followed earlier authorisation from the Australian Prudential Regulation Authority. This is good news for South Australia and very good news for the rural economy of this state.

The new bank is a joint venture between Elders Limited and Bendigo Bank. It brings together two organisations which have a long history of successful enterprise and strong community partnerships in regional Australia. There is no doubt that rural Australia is finding the going tough. It is well known that many banks have closed their doors, or contracted in the number of branches and networks through country and regional areas of Australia and South Australia. I am delighted that this announcement signals a move against the trend with financial services being provided through Elders' expanding branch network.

Recently, I had the opportunity to open Bendigo Bank's South Australian head office. I had the privilege of launching the Futuris development in Currie Street, which is Elders' head office returning to South Australia. I make the point that Elders' head office is returning to South Australia—the home of Elders traditionally and it is now coming back here. On top of that boost for country South Australia, whereas in the past 15 years or so, SEBUS (the superannuation fund for employee groups) has never invested a dollar in South Australia, it is now coming to South Australia to invest in Futuris. It was through no less than Ralph Willis, former federal Finance Minister, who is Chairman of SEBUS. I am glad of the interjection about Mr John Dawkins. He came over and with me jointly launched the Futuris building development in Currie Street. He said to me, 'Have you read the *Financial Review* today?' I said that I had not. He said, 'You ought to get it because there's a great article on South Australia; how you have rebuilt the economy of this state and there's a new direction.' That was no less than former Labor Finance Minister Ralph Willis, indicating that this state has rebuilt, whereas under the Labor Administration that group had not put a zack into any development. They are now putting a major investment into Currie Street.

Mr Hamilton-Smith interjecting:

The SPEAKER: Order, the member for Waite!

The Hon. J.W. OLSEN: The member for Hart has not read the *Financial Review* in latter years. He is not reading it these days because there are repeated articles on South Australia and its new economic direction. The member for Hart does not like reading about the rebuilt South Australian economy, how it is outperforming other states of Australia. That is why he does not bring the *Financial Review* into the chamber any more.

To return, the Elders Bendigo Rural Bank will be a boost for country South Australia with this announcement because it is another indication that our state is seen as a good place in which to do business. Elders Rural Bank will have its national head office and operate its national network from here in South Australia. Elders Rural Bank is the first Australian bank to be formed following the reforms to the Australian financial system brought about by the Wallis inquiry. To gain its licence the bank had to meet stringent requirements set by the prudential regulation authority. Banking licences do not come easy and this is a significant achievement. Elders and Bendigo should be congratulated on this important new venture, which will not only bring benefits to our whole state but, importantly, provide a particular boost for rural areas: in Elders, in a rural bank, going back and providing the network for country South Australia.

CRAMOND INQUIRY

Mr CONLON (Elder): My question is to the Premier. Was the Premier at any stage informed of a lengthy police investigation into the truthfulness or otherwise of evidence given by a key witness to the Cramond inquiry into the Motorola affair, and was the Premier aware of the nature and extent of any evidence or statements given by senior officers in his department to assist the police with their inquiries?

The Hon. J.W. OLSEN (Premier): I am puzzled by the question. I do not know the basis of it. Any police inquires are handled by the police. They do not pass on to any member of Parliament the basis of the investigation or inquiry.

CONTAINER DEPOSITS

The Hon. D.C. WOTTON (Heysen): My question is to the Minister for Environment and Heritage. Will the minister update the House on the success of the state's container deposit recycling program and will the minister respond to the speculation regarding the future of the program after 1 July?

The Hon. I.F. EVANS (Minister for Environment and Heritage): I thank the member for Heysen for his question, because I know he is a strong supporter, as are all members

of the House, of the container deposit legislation. Members will be aware that the recycling industry raised some issues in relation to the container deposit legislation and the GST and we have taken up the matter with the federal government. I am pleased to advise the House that the advice to me is that the Australian Tax Office will be issuing a private ruling to depot operators to the effect that the beverage containers will be brought under division 66 of the GST legislation, which covers second-hand goods. That will resolve most of the issues that the recycling industry has in relation to the GST. More important, however, is the issue in relation to what the general community understands to be the position after 1 July. The recycling industry has raised with me general concerns and comments from the public using their services. There is a misunderstanding in the community that for some reason this scheme might be finishing come 1 July.

I am pleased the member for Heysen has asked this question because it gives me the opportunity to clarify both to members of the House and to the general public that, as far as consumers are concerned (the scout groups and all those involved in recycling through container deposit legislation), the scheme is continuing after 1 July and to all intents and purposes does not change in relation to the situation concerning the deposit and the way in which the item is recycled. So, for all the groups that collect items on which there is a container deposit as a method of fundraising or recycling, that process definitely will continue after 1 July: it will not change. I appreciate the question because it gives me the opportunity to clarify the position for all community groups involved.

RAYMOND, Mr B.

Mr WRIGHT (Lee): Has the Minister for Tourism seen or is she aware of a letter of resignation by a long-time senior public servant, Mr Bruce Raymond, addressed to the chair of the Tourism Commission, which outlines his concerns about wastage, corruption and nepotism in the tourism area; has the Auditor-General been alerted to the existence of the letter; and will the minister now table a copy of that letter in the House?

The Hon. J. HALL (Minister for Tourism): I have no idea about the letter to which the member for Lee refers. I am aware that Mr Bruce Raymond has left the employ of Australian Major Events on a full-time basis. He had been working, and still continues to work, on a number of projects including work involving the Olympic soccer tournament—which I know the member for Lee is interested to know is going very well: we have now sold more than 54 per cent of the tickets for that tournament. I will make some inquiries about the matter to which he refers and report back.

GOODS AND SERVICES TAX

Mr SCALZI (Hartley): As part of the GST compensation, pensioners will receive increased payments. Can the Minister for Human Services advise the House if the pensioners involved will have to pay more rent to the Housing Trust?

The Hon. DEAN BROWN (Minister for Human Services): As of Saturday, the federal government through Centrelink is adjusting a number of Centrelink and family allowances. First, there is a 4 per cent GST adjustment to all Centrelink payments and then on top of that there is an adjustment between various family allowances. Some of those adjustments are very considerable indeed. I know that the member for Hartley has a significant number of families in his electorate who will be eligible for payments and who are interested in the size of the payments and the impact on Housing Trust rents. For instance, a single parent with a child four years of age will receive up to $32 a week extra as a result of the adjustments to be made under both GST and family allowances as from this coming Saturday. They are payments from the federal government. A couple with a child four years old will receive an increase in payments of up to $29 a week. They are very substantial payments indeed: $32 a week in one case and up to $29 a week in another case.

I am pleased to say that the commitment which I gave 12 months ago that Housing Trust rents would not be changed will be adhered to. Therefore, although a very substantial increase in payments is being made to people who are recipients of Centrelink payments and family allowances, they will not face additional Housing Trust rents as a result of that. I am sure that the member for Hartley will relay that advice to his Housing Trust tenants because they will be thrilled. There will be no change at all to Housing Trust rents on Saturday, despite the significant additional payments that tenants will receive.

MINISTER'S OFFICE REFURBISHMENT

Ms RANKINE (Wright): Why did the Premier tell the House that the cost of providing office refurbishment for the Minister for Disability Services and the Minister for the Ageing (Hon. Robert Lawson) was only $43 000 when he has since confirmed in a written response to another question that, in fact, it cost $242 000, with a further $32 000 spent on a new office for the CEO? When I raised this matter on 4 June 1998 the Premier stated:

> What is the cost of Minister Lawson's office? It is $34 134 plus a notional allocation for professional fees—just a notional allocation. If you include the notional allocation of professional fees, the total cost is $43 579.

The Hon. J.W. OLSEN (Premier): I will check the two figures and obtain an explanation for the honourable member.

WATER ALLOCATIONS

Mr WILLIAMS (MacKillop): Will the Minister for Water Resources highlight to the House the role of the South-East Catchment Water Management Board in implementing the recommendations of the parliamentary Select Committee on Water Allocation in the South-East?

The Hon. M.K. BRINDAL (Minister for Water Resources): I thank the member for MacKillop for his question and I know that he is vitally interested in the issue of water resources, as are all members of this House. All members will be aware that the allocation of water in the South-East has been an extremely sensitive and contentious matter for many years; that was the main reason why this House chose to establish a select committee.

It is important to note to the House that virtually all of the committee's 37 recommendations are either already in place, have been taken on board or are considered for implementation by the government and the catchment management board. Indeed, as we speak, one of those matters is currently before another place. Indeed, it has received the assistance and help of both sides of this House, for which the government is grateful.

The implementation, however, of the committee's recommendations required a freeze to be placed on the issuing or variance of any water licence in the South-East. As a result, a number of major developments have been delayed, two examples of which are the expansion of vineyards and wineries in the Mount Benson area near Robe and the establishment of the fish farm at the old Safries factory in Millicent, with which, I believe, the member for MacKillop has personally assisted.

Additionally, it is interesting to note that a number of small property owners find themselves in a difficulty as a result of the freeze. I am aware of at least one case where a property owner, through no fault of his own, is now paying $2 000 a month in holding fees while he waits for this matter to be sorted out.

The South-East Catchment Water Management Board has implemented a number of programs to manage the water resources in the South-East. It is currently preparing water allocation plans on the five prescribed wells areas: Padthaway, which was prescribed in 1975; Tatiara, which was prescribed in 1984; Comaum-Caroline, 1986; Naracoorte Ranges, 1986 and then extended in 1993; and Lacepede-Kongorong, which was prescribed in 1997.

Community consultation on the preparation of these plans was held in February and March. More than 700 community members attended the meetings and 100 written submissions were received. The board recently formed a partnership with the EPA to employ a full-time community Water Watch officer for the South-East. The partnership will accelerate the Water Watch initiative in the South-East and enable better access for schools and community groups to Water Watch activities and education programs.

Furthermore, in recognising the importance of the Blue Lake to the city of Mount Gambier, the board has entered into a partnership with the City of Mount Gambier Council for the initiation of the Blue Lake Water Care Program. The program involves educating broad segments of the community around the Blue Lake to improve awareness of issues affecting stormwater and aquifer recharge. The specific aims of the program are: to improve water quality entering the aquifers within the ground water protected zone; to assist the community to understand the nature of human impact on the wellbeing of the aquifer; to involve the community in improving work and domestic practices which may impact on the ground water; and to amplify the benefits of the stormwater monitoring and management programs to indicate areas requiring change or improvement.

The board has recently formed the Blue Lake Management Committee which has the task of preparing a management plan for the regions surrounding the Blue Lake. Considerable concern has been expressed about the declining water levels in the South-East. Members opposite have been concerned about the water situation—if not for the South-East then elsewhere in the state. Along with its adjacent lakes, the Blue Lake is a major tourism drawcard. We wait with interest to see the findings of that committee.

NATIONAL WINE CENTRE

Mr WRIGHT (Lee): What is the status of an internal inquiry and audit into the National Wine Centre, and does it involve an examination of unaccounted missing money and consultants being paid large sums of money without any tendering process or proper documentation?

Members interjecting:

The SPEAKER: Order!

Mr WRIGHT: Why don't you wait for the explanation! The opposition has been informed by senior Department of Premier and Cabinet sources that an internal inquiry is investigating the wine centre because of cost blow-outs and lack of proper procedures in awarding consultancies. The opposition has been told that the centre wasted money on purchasing web domain names for a product the government had already paid someone to develop.

The Hon. J.W. OLSEN (Premier): The member's broad question that covered a whole raft of things is—

The Hon. M.D. Rann interjecting:

The Hon. J.W. OLSEN: Finances will be all right at the wine centre. The member got up, in a scatter gun approach, and put a half of dozen points in his question. I will take his question on notice, dissect it for him and get him a reply.

LOCUSTS

The Hon. G.M. GUNN (Stuart): My question—

Members interjecting:

The SPEAKER: Order! The member for Stuart has the call.

Members interjecting:

The SPEAKER: Order, the member for Hart! It its completely disruptive for you to continue to interject when members are on their feet.

The Hon. G.M. GUNN: Will the Deputy Premier outline to the House the threat posed to South Australia by the possibility of a locust outbreak in the spring and measures which will be adopted to ensure that any impact is minimised? The Deputy Premier would be aware that there is considerable concern in parts of South Australia about the possibility of large hatchings of locusts and the possibility of infestations coming in from Queensland and New South Wales which could have a drastic effect on the rural producers in South Australia.

The Hon. R.G. KERIN (Deputy Premier): There is absolutely no doubt that in the spring we will face an extreme worry for all the primary producers in the state, the state's economy and all those who are reliant on our production. It is a rather unique situation the likes of which we have not seen in the past. There has been a major autumn plague. To date, the Department of Primary Industries has sprayed over 1 000 square kilometres. There has also been an enormous spraying campaign by the Australian Plague Locust Commission, extensive spraying by local government using government supplied misters and a large amount of spraying by individual landholders protecting emerging crops. The problem has been brought about by the fact that there have been unseasonal rains in the middle of Australia in the Queensland channel country, and northern and western New South Wales. When you look at the map, you see there has been an enormous area of hatchings. We have seen multiple hatchings. The locusts have gone through several generations which has caused a major multiplication of their numbers.

We have seen a major fly-in not just to the marginal areas such as Lake Frome and Lake Torrens but also into our cropping areas. In fact, a band of locusts has extended all the way from Ceduna right through to the Victorian border, and not just across the top but also to Yorke Peninsula, eastern Eyre Peninsula and other areas. That has created an enormous problem for us in that there have been significant layings in those cropping areas. So, in the spring, instead of just facing a major threat of fly-ins from the marginal areas and trying

to control those, we really have three threats. There is the threat posed by the hatchings, which will take place in the cropping areas. Much of that will involve a low number of hatchings, and we will not be able to spot them: they will be in crops and doing damage before any banding occurs to create targets. So, that is one problem which is certain to cost us at least something in the way of production. In addition, we face the threat of fly-ins out of the normal areas—Hawker, for instance—where they hatch, band up and fly into the northern agricultural areas, cleaning up the pasture on the way, then moving in and doing enormous damage to the cropping areas, which is a major problem for the state. As well as that, there have been a lot more layings in the far northern areas and, no doubt, if we get the right air movements we also will have a fly-in from that area.

To try to overcome this problem, we need to ensure that the effort in the spring is coordinated. Whatever we do, we will not stop all the damage: it is very much about minimisation of the damage that will be caused by an enormous number of locusts. Last Wednesday at Clare we held a meeting which was attended by all the major players. We brought over the Australian Plague Locust Commission people and representatives from local government, industry, the Farmers Federation, the media, the plant and pest control people, the bee keepers, the kangaroo industry (which has a great interest in this matter), the organic farmers—a whole range of people—to work through some of the problems we face.

There is an enormous number of logistical problems. It is not just a matter of racing around spraying locusts: there are environmental issues also to be considered; for example, we have to ensure that we do not wipe out bee populations; and we have organic farmers whose rights need to be totally observed during the whole exercise. It will take a very cooperative effort by a whole range of people to gain the maximum amount of protection that we can achieve. Last Wednesday was very helpful in terms of assisting us to put together a strategy to ensure that everyone is going in the same direction. It is absolutely important that we have a good communication strategy so that, once we have worked out what role everyone has to play, everyone is working on the same information and understands almost on a day-to-day basis what their role is. There are also issues involving the training of farmers, and so on, to make sure that when chemicals are applied it is done not just in the correct way but also in a way that will kill the maximum number of locusts.

With respect to the grasshopper campaign, over the past couple of years we have had a community reference group, which has been doing a terrific job. That will be expanded because of the extra area that needs to be covered during this campaign. Certainly, one of the major coordination strategies involves state government and local government working together and understanding their roles.

I can assure the House that we face a massive problem. An enormous amount of work is being done at the moment to try to make sure that we go about it in a coordinated way, which maximises the protection for our important industries. I can also assure the House that there are plenty of locusts to go around. The people in the north are not selfish and, no doubt, the locusts will be shared. There is no doubt that, some time during the spring, the people of Adelaide will get to see some locusts. It is a major challenge but it is one on which an enormous amount of work is being done.

CAMBRIDGE, Mr J.

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Premier. If it is, according to the Premier, totally inappropriate and against Public Service guidelines for the taxpayer to indemnify Mr John Cambridge for legal costs as a plaintiff in his legal case against the *Australian*, why did the Premier or Mr Cambridge seek such an indemnity?

The Hon. J.W. OLSEN (Premier): I have just been advised by my office that I did not write a letter seeking such a request.

MURRAY RIVER

Mr LEWIS (Hammond): My question is directed to the Minister for Water Resources—

Members interjecting:

The SPEAKER: Order! The member for Hammond has the call.

Mr LEWIS: How much fresh water was released recently in an attempt to flush out the mouth of the Murray River, and was the attempt—

Members interjecting:

The SPEAKER: Order!

Mr LEWIS: Can I repeat the question?

The SPEAKER: Repeat the question, thank you.

Mr LEWIS: How much fresh water was released recently in an attempt to flush out the mouth of the Murray River and was the attempt successful?

The Hon. M.K. BRINDAL (Minister for Water Resources): I thank the member for Hammond for his question. I always enjoy his questions—they come as something of a surprise! The exact volume I will get back to him on, but I do happen to know that it is the area of Lake Alexandrina plus the area of Lake Albert times by two foot. Whatever that volume is was the volume. In answer to a very serious question for which I thank the member for Hammond, it was not enough. We were fortunate this year, because of a particular advent in the northern part of the basin, in the Murray-Darling system, to have captured enough water in the Meningie Lakes to trigger a flow down the Murray. It works this way: if there is enough water in the Meningie Lakes, water is not necessarily released from that lake but can be released from elsewhere in the eastern part of the system because of the water in storage to give South Australia above flow entitlements.

Therefore, because of the water flowing into the Meningie Lakes, we had a flow down the Murray which, as the Premier has often emphasised, was a flow about quantity and timing of flows in order to improve water quality. That allowed a release. Unfortunately, however, that release was not enough. Members would know (or should be aware) that the Murray River has closed only once in our recorded history. It was in great danger of closing over the summer period. I believe that the reasons for that are twofold: one, on which the Premier is showing national leadership; that is, the quantity and timing of flows down the river is inadequate.

It was very pleasing to see this morning the Federal Minister for the Environment, Senator Hill, saying quite clearly to interstate jurisdictions that, if beneficial savings are to be made from the inefficiencies in the river—and there are many of those—that those savings should go to the Murray River.

I ask members to consider this as South Australians. The Murray River at its mouth at present flows at just over 20 per cent of its capacity. The Snowy River at present is flowing at 58 per cent of its capacity. Why, when our river system—the most important in this nation—is ailing and is in need of help, for base political motives would we countenance the diversion of water from an ailing system to a system which is comparatively healthy and from which nowhere near the measure of economic benefit is derived?

The House should be aware that next year, if the Murray mouth closes, or if the Murray mouth is in such danger of closing that we have to institute a dredging system, it will require the shifting of one million cubic metres of sand. There is a natural literal drift from the south-east to the north-west, similar to our Adelaide beaches. If the flow out of the mouth is such that the prism contracts, as it has, then the tidal movement in and out of the lakes, which as the member for Hammond knows have not been aided at all since the barrages were put in, means that less water goes in each day, less water comes out each day because of the advent of the barrages (on which the member for Hammond has been quite vocal) and this, coupled with the lack of flows down the river, means that the mouth is in danger of closing.

A million cubic metres of sand will need to be dredged and shifted. The cost of that is estimated to be between $3 and $4 a tonne. So, we are looking at keeping the Murray mouth open in the summer season at a possible bill of $3 million to $4 million. That has significant cost implications—

Mr Foley interjecting:

The Hon. M.K. BRINDAL: The member for Hart says, 'Will other states share the cost?' One would hope that, as we get 5 per cent of the flow diversions from the river and pay 25 per cent of the management costs and this is a program concerning the health of the river induced by other states—

Mr Foley interjecting:

The Hon. M.K. BRINDAL: No. We are hoping that the answer is yes. The Deputy Leader, the Minister for the Environment and I will go to the commission and argue that, if this event occurs, we should get a share of the cost of repairing the event from the other states, the commission and those responsible. We should not have to bear it on our own. It is important that the House is aware that this is a significant problem. There are significant costs associated with its possible remediation and/or repair. It will cost $3 million to $4 million just to clear them out. This will be only a short-term remedy; we need long-term solutions.

CAMBRIDGE, Mr. J.

The Hon. J.W. OLSEN (Premier): I seek leave to make a brief ministerial statement.

Leave granted.

The Hon. J.W. OLSEN: I would like to clarify the inaccurate claims made by the opposition during question time about the CEO of the Department of Industry and Trade and his legal action against the *Australian* newspaper. The ALP asked whether I had ever written to the Attorney seeking indemnity for Mr Cambridge's legal expenses. The answer is no.

The facts are these. Mr Cambridge sought verbal advice from me on one occasion. I declined that. Subsequently, he wrote to me. As a point of interest, on his letter I wrote:

> For advice: ministers don't get this cover let alone a CEO, but memo from A-G will put it to rest.

That is exactly what the circumstances were. They were denied verbally; they were denied in writing.

GRIEVANCE DEBATE

Ms KEY (Hanson): My grievance debate today relates to the number of complaints that my office has received from constituents and others outside the electorate of Hanson who have been employed on traineeships or apprenticeships. In most cases, these complaints have been supported by the parents of trainees and apprentices. One of the most articulate claims that I have received is dated 30 May from a constituent regarding her traineeship in the hospitality industry. One of the abiding concerns in that industry is that the federal government, through the Office of the Employment Advocate, is insisting on trainees having an Australian workplace agreement.

I understand that, in South Australia alone, four people have been employed to make sure that any traineeships in the hospitality industry do not take place according to the award process or the union but through an Australian workplace agreement, despite the rhetoric put forward by Minister Reith that these agreements take the form of a pattern bargain, the very thing which Minister Reith is trying to outlaw in the industrial relations system—against unions, I might add, not against employers. The letter from this constituent, in which she summarises issues involving her traineeship, is addressed to her employer, the Banquet Services Manager, and states:

> As I previously informed you of my intention to resign, here is my list of reasons for making my decision. Bullying from superiors, (including supervisors, team leaders, hotel management) to work ridiculously long hours. I am aware that sometimes when the pressure is high, we are expected to stay back for longer than expected, but when a person has already finished a 10 hour shift, it is unhealthy, unsafe and unfair to ask them to continue working or to come back within eight hours to begin another shift.
>
> The issue of staff having the legally required half an hour break every five hours—I have noticed that in every food and beverage department this rule is not strictly adhered to—

this has also been my experience of working within the industry—

> Even if a staff member says that they do not require a break because they are not really tired, or hungry or whatever, it is still advised that they take the break, if only for the opportunity to 'switch off' (mentally) for a couple of minutes. Often (unfortunately at this point I have to say especially in banquets at the moment), we do not get our roster until Sunday, and with the working week beginning on a Monday, this makes it rather difficult to plan the rest of the week.
>
> With regards to the physical safety of the staff, when we are required to take large quantities of food or equipment to outside catering functions at the X building, or the X centre, this requires pushing an often fully loaded trolley across a road. There is no pedestrian crossing on X street, and as the footpath is very bumpy, the staff must push the trolley along the actual road, which proves very dangerous. I have been a trainee [in this employment] since October 1999, and since then, I have not taken part in a staff meeting because we have not had one. I firmly believe that staff meetings are an important part of running an efficient team, as not only do they give management a chance to voice their grievances, they also give staff a chance to voice theirs, and to discuss ideas which may bring about simple solutions to problems.

The letter goes on to describe some of the positive experiences that she has had as a trainee, but she states that, overall, she has decided to take the step of resigning.

I am sad to report that my office has received a number of complaints such as this. Unfortunately, most of them are more serious in that they contain allegations of sexual harassment of trainees and apprentices by supervisors. At the moment, about half a dozen issues have been raised, but the ARC, which I understand is the body which looks after trainees and apprentices, has not been able to assist. The opposition will take up this issue as a matter of urgency, and I hope that the minister will respond.

Mr SCALZI (Hartley): Today, I would like to draw to the attention of the House the matter of private health insurance. We have been inundated with fancy television advertisements involving umbrellas and so on. I say at the outset that I believe in private health insurance. I am one person who has received good service from my private health insurers over the many years during which I have been a member.

However, I am concerned about cover for the elderly, because little mention has been made of this in the advertisements, which have concentrated on 30 to 65-year-olds who, if they do not join now, will be penalised with higher premiums. I refer to articles in today's *Advertiser* headed 'The other big hit on your purse' and 'Health funds flat out as thousands rush for cover' (by Jill Pengelley) and in today's *Australian* headed 'Healthcare cure favours funds'. For the next 20 or 30 years, some members of the public (including myself and other members of this place) will pay a premium for top cover of $2 400 a year. It is true that they would pay lower premiums than if they joined after 1 July. The problem is that no thought is being given to pensioners or self-funded retirees whose real disposable income goes down at the age of 60 or 65 years. Yet, to maintain the cover to which they are accustomed these people would be paying $2 400 a year out of their $12 000 or $15 000 from their pension or self-funded superannuation fund.

If private health funds are really concerned about the elderly, they should be, as the Minister for Human Services outlined in reply to one of my questions in the estimates committee, treating this like a superannuation scheme whereby one pays when one can afford it—when one is employed—and, when one retires, that health insurance is maintained. We cannot expect a pensioner to pay $2 400 a year, the same as someone like ourselves earning about $100 000 per annum. The income differentiation is so great, yet the premiums are the same. That is unfair, and the health funds should address that matter. As the Minister for Human Services said in answer to my question of 21 June:

> That is why I favour a health superannuation scheme because with such a scheme you pay when you can afford to, when you have a job, and it should be putting money away on a superannuated basis for when you are older and can less afford the premiums but need the services. That is why two or three countries are now looking at a proposal, including Greece and one of the Scandinavian countries and possibly Japan. Developed countries with an ageing population need to do so; otherwise, they will find that their health care costs associated with an ageing population will escalate dramatically and they will not be able to afford it.

We must do something about providing adequate health care for the aged. The government has to do it for Medicare, but the private health insurance funds also have a responsibility where, if they are taking premiums for 20 or 30 years, they should keep the elderly under the umbrella once they reach 60 or 65 years of age.

Time expired.

Ms RANKINE (Wright): On a couple of occasions last year members will recall that I asked the Minister for Education and Children's Services questions about the fate and status of the Salisbury East Campus of the University of South Australia. In November last year the minister was able to tell us that Cabinet had approved the sale of this community facility and that an offer was being considered by the university from an education and training organisation. It would seem like so many undertakings by this government that we are seeing some shifting sands. Members in this place who have been here longer than I will recall that back in 1994 the member for Ramsay introduced a motion condemning the closure of that university and the withdrawal of courses. I raised this issue in estimates and went back to a quote by the then Minister for Further Education where he said in this debate:

> The university will be relocating some courses over at least a 10-year period, but, on the information given to me by the university, that campus will be used for educational purposes. The university should announce the details of that in the very near future, but on the information given to me it is not into the business of flogging it off, getting rid of it or closing it down.

I repeat what the minister said: '. . . it is not into the business of flogging it off, getting rid of it or closing it down.' We know now what actually happened. They did close it down and they are in the process of flogging it off. When I raised the issue in estimates the minister said, in relation to this education and training authority, that they were 'unable to raise the finances required within the time frame stipulated by the university and as a result that offer has fallen through'.

That university campus has been closed for nearly four years, and I want to know why we are now facing such a very tight time frame. I am interested to hear from the minister the basis of the cabinet approval for that sale. I hope that cabinet was not foolish enough to give the university, based on its past record, carte blanche to sell off the campus for any old purpose, particularly as I have made the government aware on a number of occasions of the community's view about this local resource. The Salisbury community want it preserved for community use. I was extremely surprised that the minister did not seem to know the detail of this cabinet approval or the status of that land. Many people may not know that that university used to be the campus for the College of Advanced Education, so it was Crown land owned by the Minister for Education and Children's Services.

Basically I want to know, bottom line, whether cabinet will withdraw its approval for sale if this facility is not to be preserved for community and educational purposes. That includes the open space. It is not acceptable for this facility to be carved up for housing. I understand that that is what the university is now trying to do. I understand that an agreement has been signed with John Nardelli of East Gate Developments. I first came in contact with Mr Nardelli back in 1994 when employed by the member for Ramsay and when residents involved in a development that he was undertaking were highly dissatisfied.

I can give the House some examples of the sort of things these people had to deal with. They had a beautiful pamphlet from which they bought their land. It said in the first paragraph that there would be an impressive paved gateway into this development and that heritage lighting would let people know when they are home. In fact, the gateway consisted of two tiny concrete-type pillars like letter boxes and no heritage lighting was provided. Mr Nardelli in conversations with me told me that he intended not to provide

the colonial lighting because there were already normal street lights within the development. He was not willing to replace the existing lighting. The second paragraph of his literature said:

> Impressed by the entry, then wait till you drive down the tree-lined boulevard past the huge park.

Mr Nardelli's idea of a tree-lined boulevard was to issue residents each with a free tree that it was illegal to plant on the streetscape: he provided them with plane trees that the Salisbury council would not allow to be planted. The huge park never had any lawn planted in it and it was a retention basin for stormwater. Some of the homes had stormwater outlets in the curbs, some had three and some had none. I had several conversations with Mr Nardelli and was getting nowhere. It took several meetings with residents and the involvement and intervention of the local member and local council to get some of these issues resolved.

Time expired.

Mr VENNING (Schubert): Last Thursday marked 10 years since I was elected to parliament as the member for Custance and now the member for Schubert. I was elected on Saturday 23 June 1990 in a by-election which was pretty tough at the time, particularly as the Nationals put up a big effort, outspending us threefold. I am lucky to have done three years in opposition and seven years in government. In 1993, at the state's lowest ebb, it was the turn of the tide, and I have been pleased to be part of the state's resurgence. It is also 10 years since the Hon. John Olsen left this House and went to the Senate, so it is interesting how history does a full circle. I have served under three leaders during that time—the Hon. Dale Baker, the Hon. Dean Brown and the Hon. John Olsen.

There have been many highlights in that time and I put them in order. It was a huge win to have the Morgan to Burra road sealed. This was a $19 million project. It is probably my greatest personal victory, and I thank all those concerned because it was a project that took 80 years to come to fruition. Then, clean water was provided to the Barossa Valley and the regions, including the Yorke Peninsula region. That was a great victory for both me and the government. Also, the Barossa Valley Convention Centre; the new Tanunda Primary School; the new Barossa Special Education Unit; the off-peak water arrangement, which was groundbreaking; and the decision to build the Gomersal Road are but a few of the many highlights which have happened during this time.

A personal high point, as I said before, was lunch at Skillogalee Winery at Clare with the Governor-General (Sir William Deane) and Lady Deane, the South Australian Governor (Dame Roma Mitchell), the Hon. David Wotton (who was minister), Mayor Bob Phillips and my wife. I remember that occasion with great fondness, as you, sir, undoubtedly do. Also, winning my first private member's bill in opposition was a great moment that I will always remember. However, being a member of government for seven years out of the 10 years is the greatest victory. Also, being elected chair of the Environment, Resources and Development Committee was a great thrill.

I have learnt to appreciate the whole parliamentary, democratic process. The Australian democracy is the best in the world, but it does not come free: there is a cost. I am concerned at the level of public vilification of politicians as a profession. The media gives very few accolades to our state's decision makers. I am concerned that even intelligent Labor members opposite cannot speak their mind and vote with their own conscience; that is not democracy, and I wonder why it continues.

I have appreciated the friendship and assistance from not only my colleagues in the Liberal Party but also members opposite. Conditions here are now much better than they were 10 years ago. In those days, oppositions lived in squalor—not so the opposition today.

I have chosen to pursue a career of serving the people, often at the expense of my own personal promotion. I hope that my time here has been worthwhile. I thank all my colleagues for their assistance and friendship over the decade, and I look forward to another 10 years of stable Liberal government here in South Australia. I thank the people of Custance—and now Schubert—for their confidence in me, their friendship and their cooperation. I count myself very fortunate to have arguably the best electorate in Australia and certainly to represent the best people.

Mr CLARKE (Ross Smith): Listening to the member for Schubert, I thought he was giving us his valedictory: I no sooner become the Labor Party duty member for Schubert than it appears that the member decides he will pack it in at the next election. At that rate I will be appointed duty member for at least another 23 seats—if not to my own!

Some time ago I asked a question in this House of the Minister for Human Services in relation to domiciliary equipment services. Both in the question and in a speech I gave on the same day and on the same matter, I raised the name of a public servant working for the Premier: a Linda Graham was working in the Competitive Neutrality Unit of the Premier's department. In any event, Mr Ian Kowalick, the head of that department, saw me some time later and suggested that it might be better for me to cast any stones at him for any sins that unit may have committed rather than the public servant concerned. I agree with him: the responsibility is with him and the minister rather than, necessarily, individual public servants. So, I put on record that whatever motives I may have put towards Linda Graham were directed not so much at her but at the CEO, Mr Kowalick and, in turn, the minister who is the Premier—as it should be.

Secondly, I have recently returned from a visit to a number of Asian countries, including Vietnam. The visit will be the subject of a report which I will be happy to furnish to the parliament. I will have it emailed, photocopied and sent to whomever may like it.

I want to deal with two things from my observations; first, how proud I felt as an Australian when I was in Vietnam at the opening of the Mekong Bridge which Australian foreign aid paid for and which was opened only in May this year. It is a huge structure spanning a vast river. We here in Australia can only imagine its size, given what we think are wide rivers; compared with the Mekong they are but creeks.

Until I was in Vietnam last week, I never appreciated just how much ordinary Vietnamese people appreciated the work and the foreign aid that we put in. That bridge serves the Mekong Delta region of some 16 million people. Going through the local towns in the Mekong Delta region, when ordinary people knew that I was an Australian, they thanked Australia, through me, for the work that the Australian government and the Australian people had put in to the construction of that bridge and the dramatic changes that had taken place to their lifestyle as a result of that foreign aid. It had improved transportation immeasurably; previously, the only way to transfer goods was by use of a ferry. While the

ferry trip itself was not long, it took 1½ hours to two hours to cross over. The ferry impeded progress in the region quite considerably, both industrially and commercially, and in terms of tourism to that region. I was quite taken by the genuine gratitude, the feelings of friendship and the warmth of feeling that the Vietnamese people had towards Australians for that act.

On the day of the opening, something like 250 000 Vietnamese attended the opening ceremony. As Australians, we can be very proud of the work that Australian governments have done, notwithstanding efforts made by the United States government during the 1980s to try to encourage Australia not to continue its foreign aid in countries such as Vietnam and Cambodia. I am glad the Australian Labor federal government resisted that pressure from the United States not to go ahead with the foreign aid projects which are now not only helping the people in Vietnam but also, more importantly, are establishing a far better relationship between the Australian people and the people of Vietnam.

I also thank—and I will do it in more detail at a later time; I have not got the time today—all the officers of the Department of Industry and Trade in Adelaide, Singapore, Kuala Lumpur, Ho Chin Minh City and Hong Kong who mapped out a most extensive series of visits to universities and industry, as well as people in government for me to meet and visit. They did a fantastic job.

The Hon. J. HALL (Minister for Tourism): Just over a week ago, on Sunday 18 June, I had the pleasure of joining several thousand people at Our Lady Queen of Peace Church at Payneham to celebrate the mass in honour of the Feast of St Anthony of Padua. St Anthony is known as the saint of miracles—and there surely must have been extra support or divine intervention to produce the day that was such magnificent sunshine in the middle of an Adelaide winter.

On a number of occasions I have been proud to speak in this chamber on the work of volunteers in staging these many religious festivals that Adelaide and several country regions are proud to host. Every year they seem to go from strength to strength and, without doubt, the Feast of St Anthony is certainly no exception.

Encouraged by the perfect weather, the estimated crowd of those who took part in the procession from St Peters to Payneham was more than 2 000 (which is largest on record), and then a mass was celebrated by Father Luciano Bertazzo (who was visiting from the Padua Basilica), with the parish priest, Father Allan Winter, presiding. Overall, police estimate that some 8 000 people participated throughout the day's and evening's activities, with devotees coming from Melbourne, Perth, Sydney, Alice Springs, Port Pirie, and Mount Gambier joining the people at Payneham.

Father Bertazzo had a very special function to perform in the afternoon with the presentation of an Olympic torch carried by Ms Lina Totani-Mercorella, who ran a relay with the torch around Alice Springs. As we all look forward to the Olympics in September, it was important that this torch was blessed as a symbol of peace. As the Minister for Tourism, I was absolutely delighted to learn that the Basilica's magazine, *Messenger of St Anthony*, is also playing a very important role in promoting and highlighting Adelaide and South Australia to the rest of the world. Since 1991, the Basilica in Padua has annually sent a priest to Payneham to enrich the religious program. Payneham is considered as the second Padua in the world, with a special sister city relationship with Adelaide. Part of the worldwide service offered by the Basilica in Padua is its magazine *Messenger of St Anthony*.

The magazine is distributed in 13 languages and has a monthly distribution worldwide of about one million. Last year the Basilica decided to transfer the Australasian office from Sydney to Adelaide under the directorship of Angelo Fantasia and Father Allan Winter. This decision is something about which we should be proud because it was clearly inspired by confidence and devotion in Adelaide. I am told that this transfer has been an enormous success, engaging direct part-time employment and the use of Adelaide customs and mail-house services.

For Australian devotees of St Anthony, Adelaide has now become the first point of contact and great focus. Our state features monthly in the magazine, so there is incredible international focus on our city and state. I am sure that the magazine will play a significant part in ultimately attracting many more visitors to our state. I congratulate the organising committee, led by its President, Biagio Fantasia, and Father Allan Winter, on the incredible success of the celebrations this year. They broke a number of records and, I am sure, the weather had something to do with it. It goes without saying that commitment and hard work have been part of the success and their reward.

I am sure that many members of this chamber would agree that committee members and volunteers who constantly give so unselfishly of their time for many weeks rightly deserve the success that St Anthony's feast enjoyed. As the House knows, many religious festivals occur in our state and I am heartened that the great support they continually receive is a reflection on the work and commitment that goes into organising them. Whether it be enjoying a beer at the Schuzenfest, trying to do what some of us may think is the Zorba at the Glendi or dining at our favourite Chinese restaurant to celebrate Chinese New Year, it is most important to put on record that I believe that our state has been enriched by the culture and celebrations that we share with our many multicultural communities. I certainly look forward to sharing the work and effort with the many volunteers in the future.

SELECT COMMITTEE ON THE MURRAY RIVER

The Hon. D.C. WOTTON (Heysen): By leave, I move:

That the committee have leave to sit during the sittings of the House this week.

Motion carried.

CRIMINAL LAW CONSOLIDATION (MENTAL IMPAIRMENT) AMENDMENT BILL

Second reading.

The Hon. I.F. EVANS (Minister for Environment and Heritage): I move:

That this bill be now read a second time.

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

Leave granted.

In 1995, the Parliament enacted the *Criminal Law Consolidation (Mental Impairment) Amendment Act 1995*. It was proclaimed to come into effect on 2 March 1996. This Act inserted a new Part 8A into the *Criminal Law Consolidation Act 1935*. Part 8A contains a complete codification of the criminal law in relation to persons accused of crime who suffer from severe mental impairment. In particular, it deals with the law and procedure relevant to an accused person's fitness to stand trial and the 'defence' of mental impairment.

The new law is, in a sense, revolutionary. It achieved two major aims.

First, it did away with the old law which provided that a person found to be unfit to stand trial, or sufficiently mentally impaired so as not to be criminally responsible, should receive an indeterminate sentence of detention. That rule (which had stood since the inception of what was known as the 'insanity defence') effectively meant that the defence and plea of insanity were only ever used in murder cases and, even then, rarely. That, in turn, meant that many people suffering from severe mental illness became part of the correctional system when they should have been taken in to the treatment system.

Second, the new law separated the trial of the question of whether the accused was mentally impaired from the trial of the question of whether the accused committed the offence. The previous law had dealt with those questions together. That had the capacity to confuse the jury particularly since, while the prosecution had to prove the accused's guilt beyond a reasonable doubt, the defence had only to prove the accused's mental impairment on the balance of probabilities.

This short account greatly oversimplifies both the old law and the new. The new legislation had to cope with questions of some legal and procedural complexity and , as it was intended to be a codification of this area of the law, had to do so comprehensively and thoroughly. The purpose of the Bill now placed before the House is to amend Part 8A of the *Criminal Law Consolidation Act 1935* to make a number of adjustments to the scheme to address the questions and doubts that have arisen in the application of the legislation during its operation.

Since the proposed amendments have no common theme, the general ideas the Bill seeks to implement, but not mere drafting changes, will be addressed.

Order of proceedings and defences

Under Part 8A, it is possible to try first either the issue of a defendant's mental competence or the issue of whether the defendant committed the crime. In each case, the trial judge will make the decision about which issue to try first. There are two reasons for providing such an option. The first is that there is no (and there never has been) general agreement among legal practitioners and the judiciary about which issue should be initially decided. It depends each time on the facts of the particular case and what the parties want to litigate. Second, in the interests of efficiency, it is desirable to make it possible for the parties and the trial judge to agree, before the trial, which issues are really in contention and to provide for the litigation of those issues only.

It would appear, however, that the alternative methods of proceeding could lead to different results. The reasoning for this conclusion is as follows:

- If the court tries the issue of mental competence first, section 269FA(3) provides that, if there is a finding that the defendant was mentally competent to commit the offence, the trial relating to the offence is to proceed in the normal way. This means the defendant can then argue normal defences 'in the normal way'—for example, self defence, duress, necessity, and the like. Where, however, there is a finding that the defendant was mentally incompetent to commit the offence, the court must proceed to determine whether the 'objective elements' of the offence are established. If those elements are established beyond reasonable doubt, the defendant is not guilty of the offence but is liable to supervision under Part 8A. The question of defences does not then arise. (If the objective elements are not established, the defendant must be found not guilty and must be discharged.)
- If the court tries the issue of the objective elements of an offence first and finds they are established beyond reasonable doubt, the question of the defendant's mental competence to commit the offence will then be tried. If the defendant is found to be mentally competent to commit the offence, section 269GB(4) provides that the court must then proceed to consider whether the 'subjective elements' of the offence are established. If they are established beyond reasonable doubt, the defendant is guilty of the offence. There is no explicit provision for the consideration of defences at the point of liability.

Thus, on the face of it there appears to be an inconsistency, depending on which issue is tried first, that appears during the trial at the time when the defendant is found to be mentally competent. The Court of Criminal Appeal has, however, intervened. It stated, in the decision in *Question of Law Reserved No. 1 of 1997* ((1997) 195 LSJS 382), that defences are 'subjective elements' (or, to be precise, in that particular case, self defence is a subjective element) and hence can be taken into account under section 269GB(4). This finding means that in the trial of a defendant where the defendant is found to be mentally competent, regardless of which issue is tried first, there will be no inconsistency.

It is better by far, however, to have the drafting of the law amended so that procedural and substantive distortions are impossible. The most obvious starting point is to ensure that the wording of each of the ways in which a trial may proceed will lead to the same result regardless of the way chosen. That is one of the purposes for a number of the amendments proposed in the Bill—in particular, those to sections 269F, 269G, 269M and 269N.

In addition, the question of defences needs to be specifically addressed. The current scheme of the legislation is, that if an inquiry concludes that a defendant was mentally incompetent at the time of the offence or mentally incompetent to stand trial, the inquiry should then only inquire as to whether the defendant committed the act constituting the offence. The question of defences should only ever arise if the defendant is found to be mentally competent in either sense. It does not comport with common sense to inquire about the beliefs of the defendant in relation to such matters as provocation, duress or self defence if the defendant is suffering from a severe mental illness. In order to remove any doubt, therefore, the amendments make it clear that an inquiry into the objective elements of the offence does not include an inquiry into any defences.

Alternative verdicts

It has been argued that the provisions of Part 8A that refer to the acquittal of a defendant on the merits of the case after the whole procedure is performed and the accused is found to be mentally competent are too categorical and do not make it clear that the jury should also give consideration to alternative verdicts. This is the sort of problem that may arise when trying to codify any law. In the interests of being safe and comprehensive, clause 5 of the Bill inserts new section 269BA to make it clear that a jury can convict on an alternative verdict if that is the correct course of action.

Application of Part 8A to minor charges

The common law rules relating to unfitness to stand trial and (what was then called) the defence of 'insanity' were available in relation to all offences, including minor offences, from the beginning. This has been recently confirmed by the English Court of Queens Bench in *ex parte K* ([1996] 3 All ER 719). In practice, of course, it was not an issue in any but the most serious of crimes because of the 'penalty' of indeterminate detention. However, once the invariable consequence of indeterminate detention was abolished and replaced with proportionate disposition, the disincentives to use evidence of mental illness in all matters, including summary matters, disappeared and the true influence of mental illness on offending, including summary offending, has become apparent.

The reporting requirements of Part 8A are quite onerous. This is necessary given the contentious issues that may arise in very serious trials. There must be psychiatric evidence on the substantive question of mental impairment or fitness to stand trial, there must be a '30 day report' submitted by the Minister responsible for the administration of the *Mental Health Act 1993* (*see section 269Q*) and, as well, a court cannot release a defendant (including fail to retain) unless there are three additional expert reports on the condition of the defendant (*see section 269T(2)(a)*). The reporting requirements apply to all offences including, to take a recent example, the prosecution of the offence of making a false report to police by a person found unfit to stand trial.

The problem involves both financial and justice considerations. It is best illustrated by example. Suppose a person is charged with criminal damage the essence of which is breaking a shop window. The person is found unfit to stand trial. He is a social nuisance but nothing more. He may, or may not, be legally represented. The court is presented with a defendant who is, quite clearly, not in his right mind. Part 8A provides that he can only be detained if he would have been imprisoned and, for such an offence, he would not have been. The court may even have sufficient information before it to conclude that the defendant would respond well to medication as an outpatient at a suitable facility. Yet, before the defendant can be released, either on conditions or not, the court must receive three independent reports at a minimum cost of $300 each. The defendant has insufficient funds or maintains that he has none. What is the court to do? The Magistrates Court solves the problem by imposing a court order for the reports and charges the cost of the reports to the Courts Administration Authority. This has become a considerable drain on the resources of the Authority.

In response to this problem, it is proposed in the Bill that the stringent requirement of obtaining three reports should not apply with such rigour to summary offences. The court is empowered to

act on one or two reports in summary matters if the court is satisfied that it has sufficient expert guidance by which to resolve the issues before it.

Consequences of breach of licence condition

A question has been raised about the proper interpretation of section 269U(1) which provides as follows:

> *A court that released a defendant on licence under this Division may, on application by the Crown, cancel the release if satisfied that the defendant has contravened, or is likely to contravene, a condition of the licence.*

It has been pointed out that this subsection makes no provision for what is to happen when the licence is cancelled. It seems to assume that there is in existence a default order—that either the defendant has been released on licence from a current detention order or the licence was part of the conditions on which an order of detention was suspended. However, there are cases where that is not so, in which case, there will be no default and no consequences as none have been provided for. The Bill replaces section 269U with a more detailed provision designed to deal with all contingencies.

In addition, the Bill adds a new section 269VA to cater for the position where a person, subject to a detention order, is released on licence and then sentenced to imprisonment while the detention order is still current. The operation of the detention order in such a case is suspended automatically.

Pre-trial matters

Modern criminal procedure, particularly under the influence of case flow management, places a premium on efficiencies to be gained by resolving as much of the case as possible before the trial and reserving costly judicial and court resources for only those matters which are genuinely in dispute for the trial. The Bill contains two amendments designed to reflect that philosophy in this set of procedures.

Section 269W is amended to make it clear that counsel's independent discretion to act in the best interests of his or her client when that client is mentally incompetent extends not only to matters during the trial but also to all matters in the criminal proceedings, including pre-trial matters (such as the committal hearing, whether to elect for trial by judge alone, and so on).

New section 269WA is to be enacted so as to supplement the existing power of the court to order the defendant to undergo an independent examination by a psychiatrist or other appropriate expert. The court may order this during the pre-trial proceedings if it thinks that this action might expedite the trial of the defendant. The amendments ensure that both prosecution and defence have access to the resulting report.

The role of the jury

Some problems have arisen in the context of the relationship between the mental impairment provisions and the *Juries Act 1927*. Most of these are being addressed in the amendments proposed to the *Juries Act 1927* in the *Juries (Separation) Amendment 2000*, but one matter which must be addressed specifically is an amendment to s269B of the principal Act.

Conclusion

Five years of working with the new codified provisions have shown that, while the policy and spirit of the new law have been widely accepted and strong efforts have been made to make the complex new law work, some refining and procedural changes are necessary. This Bill is designed to make things easer and more consistent.

I commend the bill to the House.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 269A—Interpretation

It is proposed to insert an explanation that a defence exists if, even though the objective elements of an offence are found to exist, the defendant is entitled to the benefit of an exclusion, limitation or reduction of criminal liability at common law or by statute.

Clause 4: Amendment of s. 269B—Distribution of judicial functions between judge and jury

This clause inserts a new subsection (4) into section 269B of the principal Act. New subsection (4) provides that the defendant's right to elect to have an investigation under Part 8A conducted by a judge sitting alone is not subject to any statutory qualification.

Clause 5: Insertion of s. 269BA

269BA. Charges on which alternative verdicts are possible

New section 269BA provides that a person charged with an offence is taken, for the purposes of Part 8A, to be charged in the alternative with any lesser offence for which a conviction is possible on that charge, so that it follows that a trial of a charge on which an alternative verdict for a lesser offence is possible is taken to be a trial of a charge of each of the offences for which a conviction is possible.

Clause 6: Amendment of s. 269F—What happens if trial judge decides to proceed first with trial of defendant's mental competence to commit offence

The amendments provide that the court must, at the conclusion of the trial of the defendant's mental competence, decide whether it has been established on the balance of probabilities that the defendant was mentally incompetent at the time of the alleged offence to commit the offence. If the court is so satisfied, it must record a finding to that effect. If it is not so satisfied, it must record a finding that the presumption of mental competence has not been displaced and proceed with the trial in the normal way.

New section 269FB(3) provides that the court is, on the trial of the objective elements of an offence, to exclude from consideration any question of whether the defendant's conduct is defensible.

Clause 7: Amendment of s. 269G—What happens if trial judge decides to proceed first with trial of objective elements of offence

The amendments proposed to section 269G mirror those proposed to section 269F.

Clause 8: Amendment of s. 269M—What happens if trial judge decides to proceed first with trial of defendant's mental fitness to stand trial

The amendments provide that the court must, at the conclusion of the trial of the defendant's mental fitness to stand trial, decide whether it has been established, on the balance of probabilities, that the defendant is mentally unfit to stand trial. If the court so finds, it must record a finding to that effect; if it does not so find, it must proceed with the trial in the normal way.

New section 269MB(2) provides that if the court is satisfied beyond reasonable doubt that the objective elements of the offence are established, the court must record a finding to that effect and declare the defendant to be liable to supervision under this Part; but otherwise the court must find the defendant not guilty of the offence and discharge the defendant.

New section 269MB(3) provides that, on the trial of the objective elements of an offence under section 269M, the court is to exclude from consideration any question of whether the defendant's conduct is defensible. This reflects the amendments proposed to section 269F (*see clause 6*).

Clause 9: Amendment of s. 269N—What happens if trial judge decides to proceed first with trial of objective elements of offence

The proposed amendments mirror those amendments proposed to section 269M.

Clause 10: Amendment of s. 269Q—Report on mental condition of the defendant

This amendment corrects an obsolete reference.

Clause 11: Amendment of s. 269T—Matters to which court is to have regard

The proposed amendment inserting new subsection (2a) provides that the court may, in spite of subsection (2), act on the basis of only one or two expert reports if the court is satisfied that, in the particular circumstances, the reports would adequately cover the matters on which the court needs expert advice.

Clause 12: Substitution of s. 269U

Current section 269U relies on the fact that there is a default detention order in place for a person who is released under Part 8A on licence. However, that may not be the case. Substituted section 269U provides that if a person who has been released on licence contravenes or is likely to contravene a condition of the licence, the court by which the supervision order was made may, on application by the Crown, review the supervision order.

After allowing the Crown and the person subject to the order a reasonable opportunity to be heard on the application for review, the court may—

- confirm the present terms of the supervision order; or
- amend the order so that it ceases to provide for release on licence and provides instead for detention; or
- amend the order by varying the conditions of the licence,

and make any further order or direction that may be appropriate in the circumstances.

When an application for review of a supervision order is made, the court may issue a warrant to have the person subject to the order arrested and brought before the court and may, if appropriate, make orders for detention of that person until the application is determined.

Clause 13: Amendment of s. 269V—Custody, supervision and care

This amendment corrects an obsolete reference.

Clause 14: Insertion of s. 269VA

269VA. Effect of supervening imprisonment

New section 269VA provides if a person who has been released on licence commits an offence while subject to the licence and is sentenced to imprisonment for the offence, the supervision order is suspended for the period the person is in prison serving the term of imprisonment.

Clause 15: Amendment of s. 269W—Counsel to have independent discretion

A new subsection is proposed to the current section. New subsection (2) provides that if counsel for the defendant in criminal proceedings (apart from proceedings under Part 8A) has reason to believe that the defendant is unable, because of mental impairment, to give rational instructions on questions relevant to the proceedings, counsel may act, in the exercise of an independent discretion, in what counsel genuinely believes to be the defendant's best interests. This amendment makes it clear that the independent discretion of counsel extends to the committal of the defendant and would also allow, for example, counsel to elect for the defendant to be tried by judge alone under the *Juries Act 1927*.

Clause 16: Insertion of s. 269WA

269WA. Power to order examination, etc., in pre-trial proceedings

New section 269WA allows for the court to order the examination of the defendant by a psychiatrist or other appropriate expert during pre-trial proceedings if the court thinks that such a report might expedite the trial of the defendant. Subsection (2) provides that both the prosecution and defence are entitled to have access to the report.

Clause 17: Amendment of s. 269Y—Appeals

The proposed amendments make it clear that an appeal lies, by leave, against a key decision by the court of trial. A key decision is a decision that—

- the defendant was, or was not, mentally competent to commit the offence charged against the defendant; or
- the defendant is, or is not, mentally unfit to stand trial; or
- the objective elements of an offence are established against the defendant.

Clause 18: Amendment of s. 269Z—Counselling of next of kin and victims

This amendment corrects an obsolete reference.

Mr WRIGHT secured the adjournment of the debate.

JURIES (MISCELLANEOUS) AMENDMENT BILL

Second reading

The Hon. I.F. EVANS (Minister for Environment and Heritage): 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.

From time to time in jury trials, situations arise which result in the juror being unable to continue to sit as a juror, or in the juror needing to be able to be separated from the other jurors on a temporary basis. This bill will amend the *Juries Act 1927* in two main ways to deal with issues arising from the need to accommodate these situations. The first amendment provides for the empanelment of additional jurors. The purpose of this amendment is to reduce the risk of aborting trials, particularly long criminal trials, where three or more jurors become unable to continue to sit as jurors.

A jury in a criminal trial currently consists of 12 persons. If owing to death, serious illness or some other matter a juror is unable to continue, the trial can still proceed, provided that the jury continues to consist of at least 10 jurors. However, with particularly long trials, there is always the possibility that more than two jurors will become unable to continue to sit, and this has the potential to cause the trial to abort after considerable time and money has been expended. An aborted trial also increases the stress for all concerned. This amendment will allow the court to empanel up to three additional jurors. It is not envisaged, however, that this will occur very often.

If at the conclusion of the trial more than 12 jurors remain, a ballot will be held to reduce the jury to 12. To prevent inconvenience, the foreman of the jury will be excluded from the ballot.

The second amendment enables juries to be separated during deliberations, in the discretion of the presiding Judge. In their 1998 report, the judges of the Supreme Court recommended an amendment to the *Juries Act 1927* to enable juries to be separated at any time, including after they have retired to consider their verdict.

Historically, once a jury had been empanelled, the jury was required to remain in the court until the trial was over. This involved keeping the jurors confined in the court, separated from all others, 'without nourishment and fire for their physical comfort'. The underlying purpose of the rule was to ensure the integrity of the jury's verdict and to do this by separating them from 'those who might choose to tamper with jurors and from those who might, consciously or otherwise, influence their verdict'.

Some relaxation of this rule has occurred over time. All States have introduced provisions providing for the supply of refreshment and heating to jurors. It is also now extremely rare for jurors to be kept together from the commencement of a trial until after the verdict.

Currently, however, the *Juries Act 1927* only makes allowance for separation prior to deliberations.

It was noted in the Victorian Court of Criminal Appeal case of *R v Chaouk* that the rule at common law remains that there must be no communication or risk of communication between jurors and outsiders once they have entered into their deliberations concerning their verdict. However, in New South Wales and Victoria, legislation has been enacted to provide judges with a discretion to permit juries to separate during deliberations.

While maintaining confidentiality and impartiality in jury deliberations is important, it is foreseeable that there may be circumstances where, on balance, it would be appropriate for the jurors to be permitted to separate during deliberations, for example, if a juror's child is taken ill. This bill would enable the court to permit jurors to separate at any time, including after they have retired to consider their verdict, if the court considered that there were proper reasons to do so. The bill would also enable the court to impose conditions on such a separation, for example, a condition that the jurors not discuss the case with other people.

I commend this bill to the House.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of long title

The long title of the principal Act is amended by striking out 'inquests' and substituting 'trials'.

Clause 4: Amendment of s. 3—Interpretation

The interpretation provision is to be amended by striking out from subsection (1) the definitions of civil inquest and criminal inquest and substituting definitions that are substantially the same but in more modern terms. The wider definition of criminal trial will also include the hearing of issues arising in or in relation to the trial of an indictable offence before a court exercising criminal jurisdiction. Such an issue might be the trial of whether or not a defendant is mentally competent to stand trial for an indictable offence (*see Part 8A of the Criminal Law Consolidation Act 1935*).

Clause 5: Substitution of ss. 5 and 6

5. Civil proceedings not to be tried before a jury

New section 5 provides that no civil trial is to be held before a jury. This is substantively the same as current section 5 except that it relates to a civil trial instead of a civil inquest. (*See clause 4 above.*)

6. Criminal trial to be by jury

New section 6 provides that a criminal trial in the Supreme Court or the District Court is, subject to the principal Act, to be by jury that is, subject to the principal Act, to consist of 12 persons qualified and liable to serve as jurors. This is substantively the same as current section 6 except that it relates to a criminal trial instead of a criminal inquest. (*See clause 4 above.*)

6A. Additional jurors

New section 6A provides that if the court thinks there are good reasons for doing so, the court may order that an additional juror, or 2 or 3 additional jurors, be empanelled for a criminal trial.

If an additional juror or additional jurors have been empanelled and, when the jury is about to retire to consider its verdict, the jury consists of more than 12 jurors, a ballot will be held to exclude from the jury sufficient jurors to reduce the number of the jury to 12.

If a juror or jurors are excluded from the jury under subsection (2), the court will either—

- discharge them from further service as jurors for the trial; or
- if a number of separate issues are to be decided separately by the jury—direct that they rejoin the jury when the issue in relation to which they have been excluded from the jury has been decided.

If a jury has chosen one of its members to speak on behalf of the jury as a whole, that juror is not subject to exclusion by ballot under new subsection (2).

Clause 6: Amendment of s. 7—Trial without jury

This amendment is consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Clause 7: Amendment of s. 15—Verdict cannot be challenged on ground of disqualification or ineligibility of juror except in certain cases

This minor drafting amendment inserts the word 'challenged' in substitution for the archaic word 'impeached' in relation to the verdict of a jury.

Clause 8: Amendment of s. 16—Power of sheriff or judge to excuse juror or prospective juror from attendance

This amendment is consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Clause 9: Amendment of s. 25—Questionnaire to be completed and returned by prospective jurors

This amendment is of a drafting nature and relates to the penalty provision for an offence against subsection (2) of section 25 (*ie* failing, without reasonable excuse, to fill in and return the questionnaire required for the preparation of the annual jury list, or providing information in the questionnaire that is false or deliberately misleading). The current penalty is a division 8 fine ($1 000). The new penalty provision is drafted in the current style and upgrades the maximum penalty for an offence against the subsection to a fine of $1 250.

Clause 10: Amendment of s. 29—Summoning of jurors

Clause 11: Amendment of s. 31—Duty of sheriff to keep list of persons summoned

Clause 12: Amendment of s. 42—Sheriff to return panel with cards

Clause 13: Amendment of s. 46—Balloting for trial

Clause 14: Amendment of s. 47—Constitution of jury

These amendments are consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Clause 15: Substitution of s. 55

55. Separation of jury

New section 55 provides that the court may, if it thinks there are proper reasons to do so, permit the jury to separate, even after the jury has retired to consider its verdict.

When the court permits a jury to separate, it may impose conditions (such as, requiring the jurors to reassemble at a specified time and place, or prohibiting the jurors from discussing the case with anyone, except another juror, during the separation) to be complied with by the jurors.

Clause 16: Amendment of s. 56—Continuation of trial with less than full number of jurors

Clause 17: Amendment of s. 59—Fresh proceedings may be taken

Clause 18: Amendment of s. 60—Court may order another trial

Clause 19: Amendment of s. 60A—Jury may consist of men or women only

These amendments are consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Clause 20: Substitution of s. 61

61. Challenge

New section 61 provides that in all criminal trials by jury, each party (including the prosecution) may challenge 3 jurors peremptorily. The number of peremptory challenges is not increased by an order that additional jurors be empanelled.

This amendment is consequential on the insertion of new section 6A into the principal Act (*see clause 5*).

Clause 21: Amendment of s. 63—Peremptory challenges in excess of permitted number

Clause 22: Amendment of s. 69—Power to summon further jurors

These amendments are consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Clause 23: Amendment of s. 78—Offence by jurors

This amendment is of a drafting nature and relates to the penalty provision for an offence against subsection (1) of section 78. The current penalty is a division 8 fine ($1 000). The new penalty provision is drafted in the current style and upgrades the maximum penalty for an offence against the subsection to a fine of $1 250.

Clause 24: Amendment of s. 88—View during trial

Clause 25: Amendment of Sched. 5—Summons to juror

Clause 26: Amendment of Sched. 6—Oath or Affirmation

These amendments are consequential on the amendments proposed to section 3 of the principal Act (*see clause 4*).

Mr WRIGHT secured the adjournment of the debate.

RACING (CONTROLLING AUTHORITIES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 May. Page 1179.)

Mr WRIGHT (Lee): Earlier today I gave notice pursuant to standing order 243(2) with respect to matters I will mention later in my contribution. Standing orders require that I give 24 hours' notice. Of course, I was not able to give notice prior to today because the parliament has not sat for two or three weeks. This is a procedural matter. I want the capacity later to be able to move an amendment but, of course, to facilitate that amendment I first must move a suspension of standing orders. I am just drawing the matter to the attention of the House so that members are aware of the process I will be working through and that I suddenly do not jump up and move a suspension of standing orders.

Before doing that I would like to make a few comments about the bill. The South Australian racing industry has a proud history. It is an industry currently in crisis and its future is partly in our hands. This industry has been smashed from pillar to post by a Liberal government which, first, took it in the wrong direction, then did not care and now wants to abandon it. During the past decade we have seen our racing industry, which was once ranked behind Victoria and New South Wales as the third best placed racing industry in Australia, sadly fall behind not only Queensland but also Western Australia.

This once great state of racing now ranks last of all the mainland states of Australia. Ten years ago—even five years ago—no-one would have thought it possible but this moribund government, ably assisted by a rump of non-performing administrators, has not only achieved it but it has ostracised the racing industry and divided it like never before. The racing industry and, indeed, the parliament must appreciate that we are sitting on the edge—some would say that we have gone beyond that point. Though it may not be too late if just once the government and/or the parliament determined policy and legislation in the best interests for the future of the racing industry and not simply for crass political expediency. This once great industry deserves far better than that. So finely balanced is the future of our racing industry that we cannot afford to make any more mistakes.

I have spoken previously—in fact, in my maiden speech—about the need for the racing industry to have some synergy and change. I have also said in this parliament that both major parties have to take some responsibility for the piecemeal, patchwork decision making that has occurred from time to time. However, there has never been the catastrophic policy formation from either Labor or Liberal governments as has been the case since 1996. We are now at a crossroads, and it is the responsibility of government to provide the required leadership-direction that will bring all the major players together and enable them to move forward in a coherent and balanced way. Good government—indeed, leadership—is about bringing people together, about being inclusive and moving forward in a positive and constructive fashion with

good outcomes. The challenge is to bring people to the table, not to push them away.

Successive ministers, Ingerson and Evans, have done a disservice to the racing industry; they have used RIDA and the top end of town to bully and cajole people. The grassroots of the racing industry have not only been ignored and taken for granted but have been belted from pillar to post. However, their resistance is greater than this government ever thought it could or would be. Slowly but surely we are losing our identity as a racing state. If members do not believe me, they should get out and talk to South Australian and interstate racing people. Change must not only be for the better, it must be inclusive of all. It must be accountable and it must be fair.

The racing industry is one of the biggest industries in South Australia. It is a major employer, involving thousands and thousands of people, some of whom may not even be captured in official statistics. The racing industry is unique and cannot and should not be compared to the AFL or any other sporting product—a point I shall return to later. What other sporting industry is so diverse that it can throw up owners, trainers, jockeys, farriers, punters, volunteers, breeders, stable hands, bookmakers, etc., all playing their part in jobs, the economy, industry and tourism? This is a recreational pursuit of a difference. It is truly unique and in various areas has a multiplier effect and also benefits Australia's export market. Sadly, for some time the racing industry has been in a vacuum and currently is going backwards.

We need look no further than the TAB profit distribution to the codes. Although the government has used smoke and mirrors to top up the distribution money to the codes, there have been several quarters where the profit shares have been down. Making up the shortfalls does not address the core problem or overcome the critical shortfall we have experienced. The TAB is the lifeline of the industry. It has been operating since 1967, and it currently has 77 outlets, some 320 pub TAB outlets and PhoneBet. The TAB is the racing industry's major source of income, amounting to approximately 85 per cent.

Through 1999 and 2000, we have had successive quarters where the TAB provided less money to the racing codes than for the same quarter in the previous year. In 1997-98, the turnover of the TAB was $593 million; for 1998-99, the turnover was $620 million—good news so far. There was a $27 million increase in turnover but the profit decreased by $1.5 million—bad business now. The industry asks 'Why?' and the government refuses to talk to the industry. The opposition asks 'Why?' in parliament, and the Minister for Government Enterprises takes eight months to answer questions and then says, 'It is commercial in-confidence.'

Let us not forget that the TAB is an operation to serve the interests of the racing industry, to provide a service to consumers—to the punters of this state—and it provides direct revenue to government. I repeat: top-ups are all and good but they do not address and have not addressed the core problem of what has been going on at the TAB. Why has the Minister for Government Enterprises—the minister for the TAB—not been working and communicating with the racing industry? Why has the TAB not been working through these problems with the industry? Perhaps it has not been allowed to. Why has morale at the TAB been at rock bottom? Why did Phillip Pledge and Neil Sarah resign from the TAB board in September 1998? Why did it take the government some three years to undertake its scoping study before it announced its position with respect to the privatisation of the TAB? During all this time, Labor had said that it would look at the sale of the TAB in the best interests, medium to long term, of the racing industry. During all this time, I have asked the minister a range of questions about the TAB's performance, most of which he has refused to answer.

Why, indeed, the government does not have its racing minister looking after the TAB is staggering. Now, after three years of inactivity, during the scoping study, while other states have been privatising their TABs, this inept government has cobbled together a package after all its failures—after it has smashed the racing industry. While it should have been looking for alliances to strengthen our position, it did not want to know about the racing industry. At the eleventh hour, as it is going backwards at a million miles an hour on the corporatisation debate, it wants the racing industry to support a package agreed to by the racing code chairman's group, and I will come back to that, as well. We will get a chance to analyse this in a lot more detail next week, but why would the racing code chairman's group not discuss this with the racing industry? If the government bound them to secrecy, it should have walked away from the table.

Men of principle would not have copped this type of negotiation. This is the very reason why we have the industry up in arms, protesting and talking about bringing floats to Parliament House because they are left in the dark. They do not know what is going on. What will the licensing of TeleTrak do to the price of our TAB? For example, how will TABCorp react to TeleTrak? Its reaction may be to increase our negative settlement fee which means less profit for the TAB and less distribution to the codes. I look forward to the debate on TeleTrak, because it will facilitate an analysis of the concept and allow a few home truths to be made public. However, there can be no analysis of this bill without an analysis of the major players—the government, the SAJC, SATRA, the South Australian Harness Racing Authority and, of course, the South Australian Greyhound Racing Authority.

It is fair to say that then Minister Oswald, like his predecessor Greg Crafter, helped bring the major players together, and I congratulate them for doing so. Furthermore, Minister Oswald's work in changing the TAB profit distribution from 50:50 to racing industry 55, Treasury 45 deserves acknowledgment. However, with the change in racing minister, the government has demonstrated a complete lack of understanding of the racing industry. In particular, Graham Ingerson has tried to treat it like a pure business.

The SPEAKER: Order! I ask members to use electorate names or titles and not personal names.

Mr WRIGHT: The member for Bragg and everyone in the chamber now knows who it is. Thank you for your guidance, sir. I repeat: the member for Bragg, in particular, has tried to treat it like a pure business, like he would have run his pharmacies. Despite what he believes, the racing industry is both a sport and an industry and needs to be administered accordingly. For example, the voluntary commitment component within the industry, particularly club committee structures, in country racing is critical.

Government and administrators need to have empathy with the industry. They need to have knowledge, experience, appreciation and business experience. There needs to be a balance of this mixture. That is the only way it will work. Sure, run it like a business, but run it like a racing business: be aware of its uniqueness and the great variety of people who make up the industry. If the focus is too narrow (as it has been), you lose the plot, as this government has done.

Government and administrators need to understand and appreciate the many competing interests in the racing industry and find balanced solutions, not clinical bottom line results or solutions. It is more difficult than envisaged by the member for Bragg. We have now seen that this is true because nothing that the member for Bragg proposed has occurred. In fact, the racing industry is much worse off because of his involvement. During the RIDA debate the then minister (Hon. G. Ingerson) said:

> The introduction of this legislation is the next step in revitalising the industry.

An honourable member interjecting:

Mr WRIGHT: I should repeat that, because the member for Bragg is now carrying on like a cut pig. The then minister said:

> The introduction of this legislation is the next step—

The Hon. G.A. INGERSON: Mr Speaker, I rise on a point of order. I object to those sorts of comments, and I believe that they should be removed from the record.

The SPEAKER: Order! The member has objected to the form of words. Does the honourable member wish to remove them?

Mr WRIGHT: Sir, I would be delighted: I did not know he was so precious. I will repeat what I was saying. During the RIDA debate the then minister said:

> The introduction—

he does not like it, sir, but just sit back there, Graham, and cop it sweet, because there is plenty more to come—

Members interjecting:

The SPEAKER: Order! I ask members to keep—

Mr WRIGHT: Just cop it sweet—

The SPEAKER: Order, the member for Lee! I ask members to keep this debate on an even keel and observe my earlier instruction to refer to members opposite by their electorates and not use christian names.

Mr WRIGHT: Thank you, sir. Just cop it sweet: just sit back there and listen and you might learn something. During the RIDA debate the then minister said:

> The introduction—

and this is the minister's quote—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: You can talk.

The SPEAKER: Order! The member for Bragg will remain silent.

Mr WRIGHT: The member with the umbrella. The then minister said:

> The introduction of this legislation is the next step in revitalising the industry.

The then minister further said:

> The principal aim of this bill is to see the South Australian racing industry return to being the viable and thriving industry it has been.

But things have got worse, not better. Further, the then minister said:

> The number and location of racing venues in both metropolitan and country South Australia also requires urgent attention.

That is what he said in 1996. But what has this government done with venue rationalisation? Sir, as you know, the government has squibbed it. After all its reports and consultancies, it could not make a decision—talk about leadership. However, at the same time, he interfered with moneys from capital works. The then minister said:

> Funds previously paid to the Racecourse Development Board will be paid into a RIDA fund and applied at the discretion of RIDA.

He froze the funds for capital development. John Barrett, CEO of RIDA, admitted this in estimates just last week. This is what John Barrett said:

> It is true that, in the initial stages of RIDA's existence, whilst the venue rationalisation study was being undertaken within the industry, earlier on there was what is referred to as a freeze on the funding for major capital works pending the outcome of that inquiry.

I then asked him who engineered the freeze. Mr Barrett said:

> The then minister requested the board of RIDA, whilst undertaking the study, not to expend funds. . .

We need to analyse this. What we have here is a situation where the then minister froze the funds to the Racecourses Development Board and we need to see what happened to the money as a result. At the initial stages of freezing it, they had $5.6 million less money for capital infrastructure, and this is how it occurred. The RIDA capital expenditure in 1996-97 was $1.9 million. Even though the minister froze the funds, ongoing work continued, and that is why the $1.9 million is there. In 1997-98, $3.5 million was spent on capital infrastructure, and in 1998-99, $600 000 was spent on capital infrastructure. A total of $6 million has been spent since RIDA was introduced. That came from old money; that is, the unclaimed dividends and fractions that the Racecourses Development Board formerly use.

By using the old formula—the unclaimed dividends and fractions—you would have created the following scenario. In 1996-97, you would have had $4.4 million with only $1.9 million being spent by RIDA. Under the old formula in 1997-98, you would have had $5.1 million, with only $3.5 million being spent by RIDA. In 1998-99, you would have had $5.4 million, with only $600 000 being spent. Under the old formula, the Racecourses Development Board (from unclaimed fractions and dividends) would have had $14.9 million. Out of that, $3.3 million would have been allocated for stake money by the previous Racecourse Development Board.

Therefore, because they did it previously, we must acknowledge that they would have done it again. To be fair, you have to take $3.3 million from $14.9 million, leaving us with a situation whereby (under the old formula) there would have been $11.6 million for capital, but with RIDA spending $6 million; in other words, $5.6 million which would have been spent on capital infrastructure did not get spent. RIDA allocated about half of what the previous Racecourse Development Board would have spent on capital.

However, remember a point I made a moment ago. A substantial proportion of this expenditure by RIDA was because of previous commitments. The Racecourses Development Board had already made some commitments and, if those commitments had not been made, RIDA would have spent even less. To 30 June 2000, RIDA will have spent $5 million on marketing/promotion for no measurable results. At a meeting of bookmakers at Victoria Park just before the RIDA bill was introduced, the then minister said:

> I can't see what we have got from capital infrastructure money.

Obviously, if there ever was an example of a bent from a minister who does not want to focus on capital infrastructure, members have it there in a presentation that he made to bookmakers at Victoria Park just as RIDA was being introduced.

I am not too sure why the minister would make that statement, and I wonder whether, as racing minister, he ever went to Cheltenham, where in excess of $10 million was spent. What about the upgrade of the grandstand, the facilities

and track development at Murray Bridge, $2 million, or the half million dollars that was spent at Morphettville for the new dining area in the grandstand? All money that came from the Racecourses Development Board for capital infrastructure. When asked by shadow minister Foley, 'Are we likely to revisit RIDA before the five year period?', the minister said 'No.' However, the current minister informs us that corporatisation negotiations have been going on for some 12 months. That has occurred within three years of the RIDA bill, at which time the minister said that we would not be looking at it for five years.

What is this government doing? What is this government up to? This all points to one of the biggest failures of the racing industry: RIDA has been an abject failure. Let me list a few examples. RIDA came into existence with no understanding of the racing industry nor how it functions. RIDA had instructions from minister Ingerson to bang heads and to adopt a small business mentality. Notwithstanding what the former minister believes, racing is both a sport and an industry.

RIDA's multi-million dollar marketing efforts were misguided and failed. RIDA choked the clubs of much needed maintenance and capital expenditure, which I have outlined in detail. It maintained a policy of instructing clubs to budget for a level of TAB distribution that was known to be flawed. RIDA kept hoping that TAB profits would at least be the same as in previous years, but it knew that this was fruitless because of poor turnover growth and high expense growth.

Despite requirements in the legislation to consult with clubs, RIDA failed to consult effectively, particularly with provincial and country clubs. This is a common criticism of provincial and country clubs in letters to the minister commenting on the corporatisation model. RIDA jumped into bed with the SAJC and ignored the non-metropolitan clubs. It also jumped into bed with SAHRA and SAGRA. RIDA spent large sums of money on various consultancies without any real outcomes being achieved and often without releasing the details of these consultancies to the industry: for example, various marketing consultancies, Centre for Economic Studies consultancies, Arthur Andersen financial studies—and there are plenty more.

RIDA failed in negotiations for and on behalf of the industry with respect to Sky Channel and pay TV contracts. Whatever happened to the racing show on Channel 9, the Southern Racing Festival and the long-term strategic industry development plan referred to in RIDA's annual report? Regarding then Minister Ingerson's appointment of David Seymour-Smith as the Chairman of RIDA, it must be said that he also had no knowledge of the racing industry. Like his minister, a dictatorial attitude never works, and his TAB board membership conflicted with the position of chair of RIDA. RIDA is a quasi racing commission. It has given significant powers to mostly non-industry people. It is an authority structure that has been put into place by government. It is dictatorial, it knows best, and it is the single biggest failure of any racing industry anywhere in Australia.

Labor called for RIDA to be collapsed 18 months ago and for moneys from TAB distribution to be paid direct to the codes, the controlling authorities, but this government is so smart that it thinks that, for purely political reasons, it can top all of that by going one better than a RIDA and forcing TeleTrak onto the racing industry. The opposition would like to know today whether the member for Bragg supports TeleTrak. Is he man enough to stand up in this chamber and say yes or no to TeleTrak and, if his answer is no, what does he intend to do about it?

RIDA is not transparent, it does not consult, and it is a failure. The industry has not been able to move forward without having RIDA breathing down its neck and stopping its progress. I wonder what the SAJC thinks about RIDA. The government must learn from the mistakes of RIDA. A cooperative industry cannot be achieved whilst the government dictates. That is what it has done through RIDA, and what it is doing through corporatisation, the privatisation of the TAB and TeleTrak. Why does this government hate the racing industry so much?

RIDA is responsible for additional bureaucracy, confused leadership, and confused marketing direction. According to RIDA's annual report, to the end of June 1998, $1 168 000 was spent on industry marketing and promotion. To 30 June 2000, RIDA will have spent $5 million on marketing promotion. The main reason for marketing is to increase attendances, and that simply has not happened. As the RIDA bill was about to be introduced, then minister Ingerson met with the Bookmakers League at Victoria Park. Amongst other things, he said:

> The TAB is the worst TAB in Australia.

Mr Foley: Who said that?

Mr WRIGHT: Then Minister Ingerson.

The Hon. M.D. Rann interjecting:

Mr WRIGHT: Yes. Then Minister Ingerson.

Mr Foley: When was this?

Mr WRIGHT: This was in 1996, just as he was bringing in the RIDA bill. He spoke to the Bookmakers League at Victoria Park and he said:

> The TAB is the worst TAB in Australia. It's cost us 6½ per cent. It is going to change.

He might have been right in his first statement. This was his big prediction. Here he is, bold, up front, banging the table, telling the bookmakers, 'No more of this; it's going to change! We are going to become a business.'

The Hon. G.A. Ingerson: How can you quote this when you weren't there?

Mr WRIGHT: I've got it, that's how I can quote it.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: That's right, and I've got it.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: I've got the quote. I've seen the video.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: Well, bring in a TV and we'll play it.

The SPEAKER: Order! The member will return to his speech.

Mr WRIGHT: Sir, if the honourable member interrupts, what am I supposed to do?

The SPEAKER: Order! Members on both sides know that interjections are out of order. I ask the member to return to his speech.

Mr WRIGHT: The member for Bragg says that I wasn't there, so how do I know. We have established that. A video was taken, and I have seen the video. If anyone doubts the authenticity of any of these comments, I will produce the video. I am sorry that I was so rudely interrupted by the member for Bragg, but I will now continue with some of his quotes. He said:

> We are going to become a business. A business we are going to grow.

And this is the daddy of them all—the then minister said:

> It will make more profit on the same turnover.

But I have just given the House a set of figures where the turnover went up and the profit went down. The then minister said in 1996 that he would fix up the TAB but, it got worse. It is hard to believe, but I have more. In February 1998, Minister Ingerson said:

> A new $1 million Southern Racing Carnival has been announced by the state government today as part of a new bold plan—

by the way, this $1 million comes from RIDA—racing industry money: they take your money and use it for marketing—

> to revitalise the racing industry. Through this exciting new event, the government and the racing industry aims to increase on-track attendances by 33 per cent. In another dramatic move to bolster the image of racing in South Australia, the thoroughbred, harness and greyhound racing codes will be marketed as one. In a first for Australian racing, we will be drawing together thoroughbred, harness and greyhound racing and branding them simply as 'Racing South Australia'. A great deal of research and planning has been invested in developing the carnival and the new imagery, and we are certain that it will go a long way to revitalising our racing industry and drawing significantly higher numbers of people to race meetings.

Another flop! All codes have not realised the benefits to attendances as a result of the expenditure of millions of racing dollars by RIDA to market the codes as one. It may have been said that attendances have increased marginally at some promoted carnivals, but betting turnover does not support this claim. For example, according to the last RIDA annual report, on-course tote turnover decreased by $2.4 million and bookmakers' turnover decreased by $6.4 million.

What we have is RIDA spending $5 million with the primary aim of increasing attendances, but that has simply not occurred. Where there has been a marginal increase in attendances for some promoted carnivals, that does not match up with betting turnover. If you want to get people there, that is a good step, but the key to this is to get people to the course and invest in the industry, because income for the industry is generated by betting turnover. So, this has been a total failure. The money spent on marketing by RIDA, most of which was money that belonged to the racing industry, being channelled in different directions, was wasted. All codes have not realised the benefits to attendances as a result of millions and millions of wasted dollars directed by RIDA to marketing the codes as one. That is another fundamental flaw. In trying to market the codes as one, it just did not work. Each of the codes have its own specificity. Each of the codes needs to be marketed accordingly. Adopting this particular marketing strategy of trying to brand them as one just was not right. Attendances have increased, but by about 2 per cent and they no longer market the three codes as one. I told them it would not work, but the minister would not listen.

Critically, government and RIDA have set up the racing industry for a fall and the annual reports of RIDA reveal this fact because it shows that the government has used one-off capital funds to prop up stakemoney, to maintain SABIS and to pay for marketing campaigns. These one off-payments will not continue. They are not in the system to continue, so from where will the money come? The government knows that the money will not be there in future, as does RIDA. In the thoroughbred area alone the Adelaide Cup carnivals are a sure guide to the role of RIDA from a marketing viewpoint and the execution of the carnival from the viewpoint of the SAJC.

The thoroughbred racing industry has furnished me with financial information about the past three Adelaide Cup carnivals. I call upon the SAJC to open its books to its members. I would like to know the figures for the past three carnivals—not the attendances, but the financial figures—the bottom line. How has the SAJC performed from a financial viewpoint? Has it made a profit or a loss? If a loss has occurred, what is the size of the loss? We need to know the bottom line of these carnivals. Why has not the SAJC brought these figures forward? Is it right that the past two carnivals have been a financial disaster?

We also need to analyse the role of the SAJC, but before doing so I point out that I have been shadow minister for racing for 22 months and there has been no shortage of issues to discuss. To mention a few: the TAB scoping study; the Morphettville upgrade (incidentally, Labor called for a track upgrade back in February 1999); venue rationalisation; speculation about a racing commission; a private member's bill to change the appointments to SATRA; Minister Evans' policy for there to be no racing minister in South Australia; TAB distribution and profits; TeleTrak; stakemoney; sale of Cheltenham—the list goes on and on, and I think that the illustration is enough. During all these issues and debates, the first time I was contacted by the SAJC was when the then Chairman of the SAJC (Mr Michael Birchall) contacted me after I introduced my private member's bill on SATRA. We had a good chat, but ultimately Mr Birchall said to me, 'We are not worried about your bill; we are not worried about how the appointments are made, but get rid of SATRA's functions.' What the then Chairman of the SAJC said to me was, 'We are not worried about the bill; do your appointments the way you want to, but get rid of the functions.' He was saying that they did not want a SATRA. He said, 'I'm not worried about the appointments to SATRA, but get rid of its functions.' That, of course, would have meant no SATRA or a SATRA with no functions and therefore no role to play. But Mr Birchall was then Chairman of the SAJC.

Mr Foley interjecting:

Mr WRIGHT: That was before. That was when he was Chairman of the SAJC and did not want a SATRA, but he has now moved on to become Chairman of SATRA. I wonder whether he now has the same opinion about the role of SATRA. The second contact I had—this was in a 22-month period—was within 24 hours of my expressing some concerns about the SAJC on 31 May this year. The new Chairman, Mr John Murphy, telephoned my office within 24 hours of that speech in the Parliament saying that he was responding to a request of mine written to him one month earlier about corporatisation. Well, draw your own conclusions on that, but I now know how to get the ear of the SAJC. All I need to do is speak about it in Parliament, and I intend to do that right now.

If the SAJC does not want to discuss issues or have a working relationship with the opposition, that is fine, but we on this side of the House would have hoped that people in leadership positions could carry their responsibilities far more professionally. The SAJC must play its role and provide some real leadership or it should move on. It should be open and accountable to its members and should make itself available to all political parties without fear or favour.

There are a number of areas where the opposition—and I also suspect the government—are disappointed with the performances of the SAJC. It does fundamental things wrong. Where have all the CEOs gone and why have they gone? What happened to Bill McDonald, to Jim Murphy and to Merv Hill? They all moved on in very suspicious and sensational circumstances. It is to be noted that in Merv Hill's case, he having been sacked, he has simply moved on to what some would describe as the No.1 job in racing in Australia

or at worst the No.2 job. Not a bad promotion! The SAJC's marketing and promotion have been a disgrace. It has refused to accept change. Do not think for a moment that corporatisation is real change for the SAJC, because it simply cements its position of dominance in the thoroughbred industry, and that is what it wants. It is up and down with stakemoney. Despite industry funding going up, all it has done is keep more and more of its surplus and not distributed it as stakemoney. Compare its stakemoney as a percentage of what it receives with what the country clubs pay out for stakemoney. The SAJC is keeping a hold of some its money, which it can easily pay out for stakemoney and, while I stand to be corrected on these figures, I have been advised that the SAJC pays in the order of 88—let us say 90—per cent of moneys received back out in stakemoney, yet the country clubs pay something like 120 per cent of what they receive back out in stakemoney. Obviously they have to top up from their own funds. This is an area that the SAJC must look at carefully.

Over the years there have been a number of allegations about travel rorts. In recent times the SAJC has given up on a number of race meetings: for example, Anzac Day, Queen's Birthday, Australia Day and Labor Day. It announced that this year it will combine on the same day the Christmas Handicap and Port Cup day. This means that less racing will be conducted by the SAJC in the metropolitan area, matching up with racing interstate. So, it is picking and choosing its race days. We are simply losing our market share. Does it want to be a part of the Australian racing calendar or does it want us to be a satellite state? Poor facilities at Morphettville in the public betting ring are a disgrace. Where the patrons go the facilities are shocking. In the public betting ring, when it rains you get wet. When it is cold, you freeze. When it is hot, it is like being in the sauna. They not only provide no encouragement for people to return, if they get them there in the first place, but also reduce their own income. A lot of their income—most of their on-course income—comes from the tote. Their income comes from turnover in the betting ring, but at Morphettville in the public betting ring the punters cannot compare the prices of the bookmaker with the tote.

They must leave the betting ring to get access to the tote. They cannot even stand in the betting ring and arbitrage between the tote and the bookmakers to maximise what they will do or with whom they will bet, and, as a result of that, the SAJC is potentially throwing away money. Why has money not been spent on the betting ring? The conditions are abysmal, and the SAJC is losing income. Does the SAJC not like money? What does it do with the money paid to the SAJC by bookmakers for ring fees? In the past decade, that figure was well over $1 million. Where has all that money gone?

It is better at Cheltenham and Victoria Park—although not perfect—but, of course, that money came from government grants. At Morphettville the conditions are shocking. Let us not forget that for some, bookmakers and staff, this is a place of work. The SAJC has failed to heed the warnings about the track at Morphettville. There are no plans. What is needed to be spent at Morphettville to get it into the right condition? The SAJC had its own report done. Called, 'The assessment of Morphettville Racetrack (SAJC)', the report was received by the SAJC in February 1999—over 12 months ago—and the recommendation was for a major overhaul. Its own report in February 1999 on the Morphettville track called for a major overhaul. Just maybe, if it had heeded its own report, we would not have had the situation this year with Adelaide Cup Day No.1. To maintain the integrity of racing, one must have the track right.

Another area, which has to be questioned and which has been questioned by the industry, is the placement of Oaks Day, that is Ladies Day, during the Adelaide Cup Carnival. This has added another day into a very tight carnival. The predictions by the racing industry were and have been that, 'You will not be able to squeeze all these days into a short period: the track will not recover.' Of course, that is what has happened: the track has not recovered. The bottom line for the cup carnivals has been, I understand, over the past two years a disaster.

There have been too many secret deals. The proposals for the SAJC committee to go from nine to eight members and then back to nine was simply a power play to try to increase a power base within the SAJC. It has a secret executive group which has been involved in the discussions about the sale of Cheltenham. Where has its innovation been? Its financial mismanagement and inadequacies have always been blamed on someone else. Perhaps the membership should be made aware of an exchange of letters between Mr Wylie of the *Advertiser* and the SAJC. Sadly, the SAJC has little credibility.

Deals done with the South Australian Racing Clubs Council are an absolute disgrace. The SAJC and the South Australian Racing Clubs Council stand condemned, and they have sold the industry short. They did it when the SATRA bill was before the parliament; they are doing it now when corporatisation is before the parliament; they will do it over the TAB sale; and they will probably even do it over TeleTrak. It has been deal after deal.

Unfortunately, people in the racing industry refer to the SAJC as 'a basket case', and 'the worst SAJC for the past 100 years'. They also ask, 'Why do we not see the CEO on race day?' Sadly, the hallmark of the SAJC in the last few years has been cloak and dagger stuff—doing deals through the back door and selective deals negotiated by a chosen few. But the SAJC must realise that the game is over. In recent times, the SAJC's position in the industry has changed, and unless it changes it will lose all relevancy.

The SAJC must realise that it has gone from a controlling body to a body of limited influence and little power. It used to control the whole of the industry and now it cannot even control itself. It lost control of the bookmakers in 1974 and, critically, with the introduction of SATRA in 1996, it lost control of the rest of the industry. The trouble is that no-one has told it what its job is. It does not realise that times have moved on. If it continues to shut out the industry—the grassroots of the industry—it will continue to damage the industry and to antagonise the individuals who make up the industry, and its role will diminish even further. But there is life after death for the SAJC, provided that it wakes up now. Its role is to organise race days. That is now its core responsibility. But because it is too busy doing deals it cannot even get that right.

On a personal note, which I raise with some reluctance but about which I have no choice, the opposition believes that it has been slighted by elements of the SAJC. I raise this more in sorrow than in anger. A few months ago I was at Morphettville in a non-official capacity and the government was there in an official capacity. On the following Monday, I rang the current Chairman and, in a professional manner, I advised him that I had been at Morphettville on the Saturday and that I had noted the government was there in an official capacity.

I went on to say that it was my personal opinion that it was sensible and good politics also to invite the opposition when one invites the government. I remember the conversation very well. I went on to say that politics was like a merry-go-round: what goes round comes round. I also said that my advice would be exactly the same when we are in government and that I hoped this current government would give the same advice.

The Chairman agreed with me. We had a very open discussion and he said that he was new to the job; he appreciated the advice and he said that he would fix it—and he has. But, I have since learnt that the Chairman has said to certain individuals, 'The trouble with Michael Wright is that he wants to get invited to everything.' Well, I am flabbergasted by a comment such as that. If that is what the Chairman believes, he should have said that to me and not said it behind my back. As shadow minister for racing, I try to get to the races, whether it be metropolitan or country, at least once a month. When I go, it is my preference to mix with the masses. I go to the betting ring and the horse enclosure; I talk to the trainers, owners, punters and bookmakers—and so the list goes on. However, if there is an organised SAJC function attended by a variety of people, I also have a responsibility to represent the opposition and to talk to these people as well. Sadly, the Chairman not only misses the point but he also would rather talk about me than to me.

Mr Foley: And the Deputy Chairman.

Mr WRIGHT: It is my hope that I do not have to talk about this incident again. In addition, the Deputy Chairman has also made some personal comments which the shadow treasurer intends to share with the House today. The general concept of corporatisation may or may not be the way to go, but let us strip this bill for what it is: this is a mad rush to divorce the racing industry from government. This is a bill from a government that has smashed the racing industry and now does not want to know anything about it. After the failures of the past few years, the absolutely disgraceful way in which RIDA has conducted itself (its confrontationalist style) and the millions of racing industry dollars wasted, the government now says that it wants to corporatise: 'We have failed. We do not know what to do. There is no money. You have a go at it.'

The government incorrectly thinks that corporatisation—the snapping of the umbilical cord—will solve all problems; that it will get the racing industry off its back; and that the moral responsibility for the racing industry will go away. How naive can the government be? The racing industry will not simply go away as a result of corporatisation and nor should it. Every outcome for the racing industry will be carefully analysed in lieu of the government's failure to deliver to the racing industry, and the opposition will ensure that it does not forget. What this government, through two successive racing ministers has done, is to take the industry to the edge of the cliff through its poor policy decision making process and dictatorial attitude. It does not like the drop so it is time to walk away to see whether the racing industry can avoid the fall by itself.

A very interesting letter from a committee member of the Balaklava Racing Club appeared in the *Bunyip Press*, and it is important that I share that letter with the chamber. The letter states:

> Dear Editor,
>
> What a disappointment the latest state Liberal Party cabinet reshuffle with the party missing the opportunity to signal to the racing industry that it was willing to correct the destructive and inept way it has handled the industry over the last three years. The racing industry is in very serious financial trouble due to a diminishing TAB profit, yet over the past five years turnover has increased. Where is the TAB money going? How has Dr Armitage survived? He is the minister for the TAB—the lifeblood of the racing industry—yet he won't meet the racing industry. Dr Armitage sneers at the basic right of all Australians to be available to meet with their representatives. He is responsible for a TAB that is trading less. . . and the sale of the TAB even before studying the expensive industry report he was responsible for commissioning then denies ever requesting it.
>
> Why doesn't the Minister for Racing, Mr Iain Evans, attack the cause of racing problems, being Dr Armitage, an inefficient TAB. . . Instead, he flounders around with red herrings, being unable to decide on track rationalisation, administration and corporatisation, leaving clubs uncertain of their futures and with a costly, lengthy and undefined administration. Mr Evans wishes to corporatise the industry, strip clubs of their assets and run away from the problem. Why aren't the minister for the TAB and the Minister for Racing the same person? Does it suit the government to have two ministers that can keep handballing issues back and forth with never an answer being produced?
>
> And what does Malcolm Buckby do? The Gawler racecourse, that has been threatened with closure, is in his very marginal electorate. The Gawler club has been working extremely hard, shown by a modern day record crowd at their meeting on 3 January [this year. They have developed an exciting business plan for the local community.] If Mr Buckby continues to—

The SPEAKER: I ask the honourable member to refer to the member as the Minister for Education.

Mr WRIGHT: Sir, I am quoting a letter. The letter continues:

> If [the Minister for Education] continues to ignore the threat to his local club and allows his fellow ministers to continue destroying racing, he may find his seat will go with them. Even though [and this is a key point] I have been a Liberal Party member for 15 years I must now seriously consider how I will be voting in the next election. If the government is so inept in their handling of one of our largest industries and the livelihood of many people in the state then how can they govern a state?

This letter has been written by a person who has been a member of the Liberal Party for 15 years. This person is also a committee member of the Balaklava Racing Club. This person is Mary Birnie. Ms Birnie wrote the letter, dated 7 March this year, to the *Bunyip Press*. In this year's June Racing Calendar, the Chief Executive Officer of the Bookmakers League, Mr John McBain, states:

> We are close to having the government wipe its hands of racing with corporatisation of the codes.

No other state government has corporatised its racing industry and racing in South Australia has hardly been at the leading edge. If this were such a good way to go do members think that Victoria and/or New South Wales, the heart of Australian racing, would have thought about corporatisation? When I speak to racing people interstate they ask, 'What is your government doing over there?' They remind me that this state's minister got this idea from South Africa—a nation that does not even rate on racing's world calendar. Another myth, which is a complete joke, is the minister's talking about other national sports, in particular the AFL's establishing a commission.

The minister says, 'If it is good enough for that code, why not racing?' Again, this highlights a lack of understanding. None of the national sporting bodies has ever been subjected to the degree of government control that the racing industry has experienced over 100 years; none of these organisations rely on government-owned business enterprises (that is the TAB) for the great majority of their revenue; and none of these organisations contribute direct taxation revenue to the state like the racing industry does.

The minister misses the point about racing, for it is unique. It is so different from football that he embarrasses himself by making the comparison. Unlike football, the racing industry has a history of government involvement. It has a very broad range of players. What is the employment base in the racing industry compared to the football industry? There is no comparison. Of course, the other major difference is that the major source of the racing industry's funding comes from its 55 per cent profit share of the TAB. Racing is a big money earner for governments in terms of betting turnover—the same situation does not apply to other sports. Racing relies on betting turnover. One must first understand that principle before one has a concept of racing. Corporatise at your will but do not use dumb analogies. The racing fraternity knows that this is the key.

If members do not understand anything else about racing they must understand the concept of betting turnover and how it generates income for the racing industry. Sir, as you know, racing is unique and should be recognised as such. Since the introduction of the bill the opposition has gone through an extensive consultative process. I have written, on behalf of the opposition, to all racing clubs of all codes, most of which have replied to me and I thank them for doing so. I wrote a second letter to those which did not reply. In addition, I have also met with a range of interest groups from all codes, including owners, trainers, breeders, bookmakers, jockeys, punters, action groups and individuals.

In summary, there are some concerns. Certainly not all clubs support corporatisation as has been claimed. There is a strong feeling that the respective constitutions in each of the codes have been forced through. Why corporatise now before we know the fate of the TAB? I shall return to the point. Country clubs have highlighted that they are not being properly represented by the South Australian Racing Clubs Council, and I hope country members in this chamber take note of that. The South Australian Racing Clubs Council has done a deal with the SAJC. The South Australian Racing Clubs Council may have signed off on corporatisation, but it has done so without the authority of country and provincial clubs.

Country clubs have said, 'We cannot go public in our opposition because they will pay us back.' If members think that statement is rhetoric, they do not know about racing. Racing dates can and would be taken away—no racing dates, no racing club. I would like to read a letter from one of the clubs that have written to me. For the reasons I have just outlined, it has asked that I do not name it, and I certainly shall not do so. The letter states:

> Dear Michael,
>
> Thank you for your letter seeking my club's views on corporatisation. As I have previously discussed with you, our club is concerned that we have not been properly consulted on the matter. At no stage have the clubs been invited to sit down as a group to specifically discuss the proposal. We should have sat down as clubs and gone through the proposal clause by clause and been allowed to have a say on the matter and request changes.
>
> I believe many of the clubs have little understanding of much of the proposal. My committee cannot see why the haste in pushing this bill through, and believes that it and the sale of the TAB should go hand in hand, particularly considering the current unrest being shown publicly at the moment. Why would the industry be stupid enough to sign away a bargaining chip in any future negotiations? Under the corporatised SATRA, the SAJC—

this is from a country club—

> basically has an influence over all positions on the board.

And how right he is! The letter continues:

> This should immediately send alarm signals as to why the haste in pushing the bill through before the TAB. What security for our future is there? The position on race dates and any changes is causing great concern to us when the board is not independent and when the board is not truly representative.
>
> Our club has not been asked to sign off on the agreement on corporatisation. However, if asked to, it could not, in good conscience, do so without a better understanding of it.

That letter is dated 22 June. Each of the codes—thoroughbred, harness and greyhounds—has brought to my attention the fact that, in the consultative process that I have been going through, the constitutions have been bulldozed through. These people are not simply the disaffected, the renegades, the losers or the spoilers: these are the people at the grassroots of the industry, and they have similar concerns. Their concerns are: who gets to nominate people on the controlling authority? Who is eligible for the controlling authority? Basically, it is a sham. The process simply has not been fair, honest, open and accountable. If we were to proceed with corporatisation, we would have to address two fundamental things. We have to address the bottom line so that the industry knows where it is and how it is positioned to take itself forward and to know its future. It is absolute bunkum to say that this corporatisation bill stands alone, because that is a nonsense. Before it adopts any corporatisation model, the industry needs to know its bottom line. It needs to know the situation if the TAB is sold. That is one aspect.

Having resolved that, the other key aspect to this bill is that, if we are going to proceed with corporatisation, the process has to be fair. If we put in place a procedure and the process is fair, we tick it off. That is not to say that everyone within the industry—irrespective of the code—will agree with the government's position or with the Chairman of SATRA, SAHRA, SAGRA, or whoever. The process must be open, accountable and fair. Only if the process is fair can you tick off on corporatisation. Even if you do not buy the argument—and goodness knows why you would not—that you do not have to resolve the matter of the TAB before you corporatise, the process, the model, the system you have gone through and the discussions that have been occurring over the past apparently 12 months have to be open, fair and accountable, and that simply has not been the case.

Let us have a look at the thoroughbred model. In the thoroughbred area there will be seven nominations for SATRA. The SAJC nominates four and SARCC can knock out one. SARCC nominates three, and the SAJC can knock out one. That gives it five already; it already has five of the seven. The industry advisory group is made up of owners, trainers, jockeys, breeders, bookmakers, Magic Millions and the TAB. At least two of those probably should not be in the advisory group, and I will come back to that later. I am glad you are now listening, minister, because you will learn something. What you have here—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: Talk about Mr Arrogance! Goodness me! Fancy you talking about arrogance! We can hardly wait. We are waiting for your apology. We are waiting for you to get up and say to the racing industry, 'I got it wrong.' We are waiting for you to get up and say to this House and to the racing industry, 'I got it wrong. I wasted your money, and I'm sorry.' That is what we want from you—and nothing else.

An honourable member interjecting:

Mr WRIGHT: What about it? I thought this was the racing industry bill.

An honourable member interjecting:

Mr WRIGHT: If you stop interrupting, Graham, I will proceed, and I would have finished by now.

The SPEAKER: Order! I ask members on both sides of the House to desist from interjecting.

Mr WRIGHT: Thank you, sir. They clearly do not like it, because they know it is all correct. They know it is the truth, and they do not like it one bit. The composition of the industry advisory group is questionable, to say the least. In putting those organisations together into that industry advisory group, members opposite have two from the breeding area; they have Magic Millions and the breeders, so they are double dipping. They also have put the TAB on the industry advisory group, and that is a competitor. So, the composition of the industry advisory group is incorrect. For a start, you can knock it out straight away on methodology. Members opposite have the wrong composition on the advisory group. I do not know who or how we arrived at the industry advisory group, but its composition is wrong.

An honourable member interjecting:

Mr WRIGHT: Yes, but they have already gone ahead and done their process for this bill. The composition of that industry advisory group is incorrect in terms of those seven people. As part of this process, members opposite have said to the industry advisory group, 'You nominate three, and we have the right to veto'—'we' being the SAJC and the South Australian Racing Clubs Council. Remember, these two organisations have already done a deal; they have five of the seven. However, they are also allowed to veto the representative put forward by the industry advisory group. So, the industry advisory group has the wrong composition. But, worse than that, even if you do not agree with that point, they set up a structure so that the SAJC and SARCC can veto the person who is put up by the industry advisory group.

No fair-minded person—even on the government side—would agree with that methodology. That is wrong. Everybody knows it is wrong, and the industry advisory group would not cop it. It would not put up three and allow the SAJC and SARCC to nit-pick and knock out its person. So it put up a nominee; it put up one. Why should it not have the right to do that? Of course, when they put up their nomination, what do you think the SAJC and SARCC did? Members would not have to be Einstein to work it out: they knocked it over. They said, 'No, we are not copping that person.' I understand that this industry advisory group went through this exercise on three occasions. They put up three different individuals, and on every occasion the SAJC and SARCC knocked out this person. On three occasions they put up three different nominations, but they were not good enough for the SAJC and SARCC. 'No way, we know better. We want total control,' they said.

This is the structure that this government is setting up in the thoroughbred area and wants us to support. It is a structure that does one thing: it keeps the power of the SAJC in place. It keeps in place the deals between the SAJC and SARCC. Once again it shuts out the grassroots of the racing industry. After putting up their three nominations, what did they move on to next—this is a nice trick: the Magic Millions, the TAB and the bookmakers. That is, three of the seven on the industry advisory group put up a nomination and it is accepted. The other four do not cop that nomination. Three of the seven—less than 50 per cent—put up a nomination and the SAJC and SARCC say, 'We accept this one; do not worry about the other four groups.' You can make a very good argument that two of the groups in that group of three should not have been there as well. This is an absolute joke, an absolute sham. It is top heavy, as it has always been.

In addition, there is also one more position (the seventh position) for nominations to SATRA. That person will be nominated by the Chairman of the SAJC, the Chairman of the South Australian Racing Clubs Council (SARCC) and the Chairman of the advisory group. Once again, because the SAJC and SARCC make up two-thirds of that group, if they vote together, the industry advisory group gets shut out. They get shut out on every position. They get shut out on the four nominations that the SAJC puts up because only SARCC can have an input into those four nominations and SARCC can knock out one. They get shut out because the South Australian Racing Clubs Council puts up three and only the SAJC can knock out one of those—so there is five. They get shut out when the industry advisory group puts up its nominee because the rules stipulate that the advisory group must put up three nominations, and the SAJC and SARCC will select whom they want, and ultimately, they take a nomination from the Magic Millions, the TAB and the bookmakers. You also see them get shut out with the seventh nomination because the SAJC and the South Australian Racing Clubs Council can go two to one and put in whom they want to be the independent chairman. There it is, lock, stock and barrel: seven out of seven go to the SAJC and SARCC as a result of a done deal.

This is the process that this government, through corporatisation within the constitution of the thoroughbred area, wants members to vote for today. This is what this government brings to members today in this chamber. It wants members to vote in a proposal that will give the SAJC and SARCC seven out of seven through a crook process.

I am unsure why the TAB and the Magic Millions are represented because the breeders are already on the industry advisory group. The top end of town stands condemned for its role in this process. It has not represented its membership; it has refused to do so; and it has done deal after deal.

Furthermore, the Chairman of SATRA advised me just last week that the independent nomination could not be a trainer-owner-breeder, and so on, but all the other six can be. So, six of the seven can be, but the independent person cannot be. I am not too sure about that: I do not quite know why that is there. Listen to this one: previously, when the industry advisory group nominated an owner, it was told, 'You cannot have an owner,' but later, when an owner is put forward by another group, they change the rules and allow an owner to be included. This is extremely messy. This is discrimination.

It is no better in the harness area. The new chairman from Victoria has played his part in railroading through the constitution for the harness industry. His initial appointment by Minister Evans was an appalling decision which has been responsible for dividing the industry, and slowly but surely has helped South Australia lose its identity. This man lives in Victoria and is chairman of the harness racing authority in Victoria.

The Hon. I.F. Evans interjecting:

Mr WRIGHT: This is a conflict of interest which should never have been allowed and should not be tolerated. We always know—as I am sure you, sir, do—when members of the government have a weak point because they refer to the State Bank. They do not want to talk about the topic that is being debated at the moment. They no longer want to talk about the racing bill or Mr McEwen because the minister just interrupted and started talking about the State Bank. We always know when this government has nothing to argue. We always know when this government has a weak point. We see

the Premier of the day coming in here on a daily basis, refusing to answer questions and talking about the State Bank—and the minister does the same thing.

This debate is about racing. Let us talk about racing, minister, not about the State Bank. Let us talk about Mr McEwen. Let us talk about your mate, your appointment, Mr McEwen. Let us talk about the person whom you went across to Victoria to appoint as the Chairman of the South Australian Harness Racing Authority. This is—

Mr Foley: Not one of his finest hours.

Mr WRIGHT: That is an understatement. To the best of my knowledge with regard to racing, this is the only government appointment to a statutory authority where we have had to go over the border to appoint a Victorian. As far as I know (and I am not just talking about South Australia), no other state has done it, either. As I understand it, this is a first for Australian racing in that this current minister has gone across to Victoria to find a Victorian to chair the South Australian Harness Racing Authority. If that is not bad enough, he has picked the same person who is Chairman of harness racing in Victoria. Of course, that immediately sets up a conflict of interest.

As I said, this initial appointment was an appalling decision which has been responsible for dividing the industry and it has slowly but surely helped us lose our identity. This man lives in Victoria. There is a conflict of interest, and it should never have been allowed because he is chairman of harness racing in Victoria. The chairman works on the principle of divide and rule, and I will demonstrate this shortly. Dare not disagree with him, because his way is the only way. I have read some of Mr McEwen's correspondence to industry people and, if he treats individuals like this, it is little wonder that harness is at its lowest morale level ever.

The industry is in a delicate position—a precarious position. His style of leadership has made matters worse, not better. Just as I said about the government, in part, leadership is about being inclusive. Mr McEwen is the opposite. Both inside and outside the industry he is known as 'poison pen' who treats people with contempt. Mr McEwen's authority has not produced its annual report to this parliament. It has broken the law. It has failed in its statutory requirements to produce to the parliament its annual report for the South Australian Harness Racing Authority—this is your appointment, minister. Section 40L of the Racing Act provides that the annual report must be tabled within three months of the end of the financial year. The financial year for the South Australian Harness Racing Authority ends on 31 July. I am not too sure why that is, but I will not be critical: it may have good reasons for that. That means that, post 31 July 1999, the harness authority, through the minister, has three months for the annual report to be tabled in this chamber. I have been advised as late as today by officers of this parliament that the report of the South Australian Harness Racing Authority, 11 months after it is due, has not been tabled in this parliament. Interestingly, at a high profile, very heavily populated meeting last night (and the minister laughs: I hope that is not because of his disrespect for the harness people who were there last night), when the minister was asked about the tabling of this report, he said that—

The Hon. I.F. Evans: On advice.

Mr WRIGHT: Okay, on advice. The minister should know, anyway: he is the minister. He should know whether or not he has tabled the report. That does not get him off the hook. He said, on advice (I see the former minister laughing over there; I see him having a bit of a grin), last night—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: I know you can't believe it. That is because you don't like it. You don't like your performance being put on the record. We know why you don't like it; we know why you don't believe it, because it is all there. It is clinically all there, set out for everyone to read, for everyone to see. The important thing with respect to this is that last night the minister said to over 100 people, on advice—

Members interjecting:

Mr WRIGHT: No, I am happy to acknowledge that—that the report had already been tabled. He may even have said, 'To the best of my knowledge'; let us be fair about this. But what was tabled on 2 May (and I will now refer to advice I have received from officers of this parliament) was the annual report of the South Australian Harness Racing Club. That is the club where the minister was last night; that is Globe Derby. The minister came in here and tabled its report. He may have thought that he was tabling the South Australian Harness Racing Authority report, because the South Australian Harness Racing Authority's annual report has never been tabled in this parliament. The minister's officers are letting him down. They gave him advice last night and they also have sent him into this chamber with this advice.

The South Australian Harness Racing Club, in good faith (as I am sure would be the case), has sent the minister its annual report. If the minister wants to bring that here and table it, well and good, but there is no statutory requirement to do so. However, there is a statutory requirement for the South Australian Harness Racing Authority to table its report after three months has expired from the end of its financial year. What that means is that, from 30 October 1999, that report is due. Mr McEwen, as chairman of the authority, either has not produced it for the minister or he has produced it for the minister and the minister has not brought it into this chamber. It can only be one or the other. The minister may not have the report, or the chairman and the authority may not have supplied the minister with the report; or, in fairness to the authority, if it has, on advice received today, that report has not been tabled as is required. Under section 40L of the Racing Act the statutory requirement is that it be tabled in this parliament. So, once again, the harness industry misses out because we do not have a vital document—the annual report of the South Australian Harness Racing Authority—being produced, tabled and circulated out there to the harness industry. That is an absolute sham.

Mr McEwen and the authority and/or the minister (and I am being very generous saying 'and/or') stand condemned for that report not being tabled and for giving the incorrect advice last night, and that is simply not good enough. Mr McEwen and his authority should get its basic work done first before it runs off doing deals with country clubs and closing out the Globe Derby club. Mr McEwen does not even want South Australia to host our next Inter-Dominion. The Inter-Dominion is the premier harness event which is held once in a cycle around Australasia: it is held in all the states of Australia and also New Zealand. This is the biggest carnival in harness in Australasia. And does the minister know what his appointment said? He said:

> It should not be run in Hobart, South Australia, even though I am the chairman there, or in Perth.

So, after the big Inter-Dominion carnival that was held in Melbourne, the Chairman of Harness Victoria (I said before that he had a conflict of interest, and I think I have demonstrated that now: it is a clear demonstration of a conflict of

interest), straight after the carnival that was held in Melbourne, went public and said to the media that Hobart, Perth and South Australia, even though he is the chairman here, should not hold the Inter-Dominion.

And, if it is possible, it gets even worse. We brought this matter into question in the public domain and we asked the minister to straight away bring his chairperson to book, but the minister failed to bring him back into line. The minister should have sacked him immediately. Not only did he not sack him, but he did not even disagree with him. Why? Because this government does not care about racing; this government does not care about harness, and there has been demonstration after demonstration. I could go further, but why bother?

Mr McEwen's little trick has been to play the country against the city. It suited the government's purposes, so it has gone along with it as well. It cannot agree on any model, and the representatives of Globe Derby have taken a vote of no confidence against the minister and Mr McEwen and voted against corporatisation at this stage. At the meeting last night, people were unanimous in wanting this bill delayed. At the heart of industry division has been Mr McEwen's tactic of giving all clubs one vote in this process that we have gone through to establish a model for harness. Whether that system, in some form or another, has previously existed or not is not the point. The point is that the government is introducing corporatisation: the government wants to take the industry through a process of corporatisation, and it is the government's responsibility to set up a process where all the industry is equally represented. That simply cannot occur when Globe Derby (which generates something like 65 per cent of turnover) gets one vote in this process.

Globe Derby has 51 meetings a year on Saturdays; it has 39 meetings on Tuesdays (a total of 90); Gawler has 32; Port Pirie, 19; Mount Gambier, 12; Port Augusta, 10; Whyalla, 9; Kadina, 8; Kapunda, 8; Strathalbyn, 6; Victor Harbor, 4; Franklin Harbor, 2 (I do not think there is even any racing there at the moment); and Kimba, 2. In addition, as I understand it, Kimba has non-TAB meetings which, of course, are not as significant, will not generate as much income, and cannot generate as much turnover. Franklin Harbor has two non-TAB meetings (I do not think they are being held at the moment); and Victor Harbor has four non-TAB meetings.

Based on this illustration, harness racing is expected to go to a corporatisation model. Mr McEwen, as chairman of the authority, has deliberately set the country against the city. He has also spent some industry money, the bulk of it in the country. That may or may not be a good thing, but, if you analyse these figures and look at where the bulk of the meetings are held, where the bulk of the turnover is and, consequently, where the income for the industry is generated, you can quickly see where the concentration is: obviously, it is with Globe Derby.

I have nothing at all against money being spent in the country because, obviously, there needs to be a mix, but Mr McEwen's deliberate trick, through this process of corporatisation, has been to set the country against the city. In adopting this process of corporatisation, the government and the minister have failed to establish a model for harness racing that is fair and equitable. The minister said last night, 'Well, you've got the 12 votes out there in the country. If you can come to some sort of an agreement with them, I'm relaxed.'

Of course he would say that, because he knows that the 12 country clubs are voting en bloc. The minister knows that they have been stitched up by Mr McEwen and that Mr McEwen has a policy of dividing the country against the city, so he knows that, again, the process is flawed. As I have demonstrated, it is flawed in thoroughbred racing; and, as I have now demonstrated, it is flawed in harness racing. They cannot agree on a model.

I would like to share with the House some correspondence which all members of parliament have received and which I hope they have read. This letter to the minister, dated 15 June 2000, is from a member of the South Australian Harness Racing Club committee. It states:

> Dear Minister,
>
> Just a few lines to inform you that I have been involved with harness racing for approximately 50 years as an owner, trainer, driver and lover of the industry. I have run hotels and managed my own business successfully for 30 years with harmony and no problems. I must say I have never been so disappointed as I am with how all of this new corporatisation has been handled. You have directed the industry to handle this issue, but I can assure you this has not been an industry decision. It was a decision made by a few country clubs' hierarchy to ensure that their futures are safe.
>
> I must advise that I cannot understand how the chairman of the authority, who is a government appointee, can sit on corporatisation meetings and vote when even the South Australian Harness Racing Club has not been present to vote on these issues. There has not been one meeting since day 1 where we have all met together to have an even input. The lying and sneaky, dishonest way everything has been done is nothing short of disgraceful and embarrassing and I must also say that the one or two people that have informed you of all of the information are just as guilty of the lies. You of all people, Mr Minister, have supported these people and their lies and dishonest behaviour and, for that, I am most disappointed as you are the Minister for Recreation, Sport and Racing.
>
> I have never been so ashamed that a man of your integrity could support lies and dishonesty without first availing yourself of the true facts from the South Australian Harness Racing Club.
>
> In finishing, I must say that the moment you do not agree with Mr McEwen, Chairman of the South Australian Harness Racing Authority, you are out of the industry and you cannot ask any questions without being considered to be against them.

The letter is signed by Barry Norman, South Australian Harness Racing Club committee member (five years). On 9 January this year, the chairman of the authority attended a meeting of the working party which was examining the details of the constitution and discussing how the controlling authority would be established. At that meeting, Mr McEwen used himself for two proxy votes.

The Hon. I.F. Evans interjecting:

Mr WRIGHT: He is the chairman of the authority and should not have the right to vote. Even if that right is given to him by the clubs, the chairman of the authority should not vote on this process. It is not for the chairman to vote on this process, just as it is not the right of the government and the minister to break an impasse that occurred in greyhound racing. That situation is another example of how the government through the chair—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: I beg your pardon?

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: I don't know.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: This is another—

The SPEAKER: Order! Will the minister desist or go into the gallery?

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: It's a genuine answer.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: No. This is a further example, if we need any more, of the government using the chair of South Australian Harness Racing, a government appointment to a government statutory authority, bringing across a Victorian, something which it should never have done in the first place, to cast two proxy votes when the working party is discussing and voting on issues that will be put into the constitution. The minister interjected and said that he had their proxy. Once again, when it comes to racing, the minister misses the point. The chairman of the authority had no right to attend that meeting, and he certainly did not have the right to vote. If he was there to report on matters, that might be acceptable, but, as chairman of the authority, he had no right to vote on those issues and neither does the minister.

The situation is no different with respect to greyhound racing. I have cited many examples within those codes where the system is flawed. The common comments made to me in representations from the greyhound industry are: why the haste, and why is the government putting the cart before the horse? Of course, those comments refer to the privatisation of the TAB.

The common thread when you speak to people out there in the industry, whether thoroughbred, harness or greyhound people, is to privatise the TAB, make sure that if the privatisation of the TAB goes ahead we know what the bottom line is, know where we are going and know for certain what our future income will be. That is a common thread and that is why this bill should not proceed today. Even if you do not believe that, the second major argument why corporatisation cannot proceed today is that the process in every one of the three individual codes has not been fair, not been open, not been accountable and, in fact, has been crook. I have given examples where it has been crook in the thoroughbred area and the harness area, and I will now give an example of where it is crook in the greyhound area.

There has been an industry consultative group and a separate working party, supplemented by the CEO of SAGRA, which initially worked as two separate groups but which then came together on the request of the minister to agree on a structure for corporatisation of greyhound racing. I do not have a problem with any of that. Some people in the greyhound area did not agree with it, but I do not have a problem with it. The minister brought these two groups together to try to get them to work through how they would go down the corporatisation model and arrive at their constitution.

We could talk about the various models, which are clearly important to the greyhound industry, but in part the process here must be examined as it is critical. There was an agreement that the combined group would use a first-past-the-post system when voting for its preferred model. When the vote was tied, the minister advised the group that he would make the decision. The minister thinks he has the ministerial right to do that and he has his opinion, to which he is entitled. However, here, just as you have with the Chairman of the Harness Racing Authority, we have a minister stepping in and overruling the wishes of the working party, which has a tied vote. If you are to establish a system, you must work through it, and allow the process to develop, evolve and occur. If you are not going to allow it to reach its ultimate end, why set it up in the first place? If you are dumb enough not to know that with 12 people on it at some future stage it might be a six all vote, we cannot do much for you.

At the very least, if you are to have a working party and bring these two groups together, bring the working party together with the industry consultative group, and have 12 people there, there is a chance that when they come to vote on the model it could be a tied vote. When that occurred the minister stepped in and said, 'I will make the decision, thank you very much; you will take my model.' One can understand how the greyhound industry feels about that. It feels that, if it is to go into corporatisation, at a minimum it has the right to be able to decide who and how it arrives at corporatisation, but in the greyhound area when we had a tied vote the minister stepped in and said, 'We will do it my way and with my model.' A number of people walked out and would not cop that.

The Hon. I.F. Evans: One.

Mr WRIGHT: One. One, was it?

The Hon. I.F. Evans: Make your speech.

Mr WRIGHT: Well, you are interrupting me all the time. Whether it was one or several—

Members interjecting:

Mr WRIGHT: I think I can take it out until 6 p.m. I would have been finished by 5 p.m. if I had not been interrupted, but the interruptions have kept me bubbling along.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: You will be better with a few wines. You might actually apologise once you have had a wine or two. Whether one person or several people walked out—

Members interjecting:

Mr WRIGHT: I like him, too: I am just disappointed with his policy formation. We all miss him. We would like him still to be at the front as Deputy Premier, because we used to get so many hits when he was Deputy Premier.

The SPEAKER: Order! Can we come back to the bill?

Mr WRIGHT: Before I was interrupted, whether it be one or several who walked away from the table, the critical point is that that group was charged with the responsibility of coming to the decision with respect to how they would arrive at their controlling authority and how they would set up their constitution. They should have been allowed to do so. Even if only one walked away, I assure the minister (and I think he would also be aware of this) that there is far more than one from that group of 12 who have come to the opposition to express not only their disappointment but also their utter disgust about how the minister resolved this matter and how he moved this forward when there was a tied vote. I think the minister would be aware of that.

Not only people on that working group—not only the people within the group of 12—are disgusted with the process but also the greyhound industry across the board is disgusted with it and with how the Minister stepped in and said, 'It is a six all vote; you will take my model.' There is another example of how the process has been incorrect in this situation. Why would a minister of the Crown make an arbitrary decision as to membership of the corporation to establish the constitution? The minister tells us, said again last night and has said consistently (this is an important point) that, when it comes to the constitution and the corporations, the detail of that will not even go before the Parliament. That is what he has said on a number of occasions, and he said it again last night.

There are two aspects to that: the detail should be before the Parliament and we should know what is occurring, but why would you say on the one hand that the detail is not coming before the Parliament, yet on the other hand, when it comes to the working party and industry consultative group not being able initially to resolve their discussions, the

minister steps in? Yet when it comes to the detail of the corporation and the constitution, he does not bring that detail into his bill. There are no details about the corporation or the constitution, so guess what? What you are being asked to vote for is a bill in relation to which you do not know about the corporations for the respective codes and you do not know about the constitutions. One can imagine how the industry feels about that. Whether it be the thoroughbred, harness or greyhound codes, the controlling authorities and therefore the constitutions have not been properly or correctly arrived at. The process has not been fair.

In this bill we have absolutely no detail about the constitutions, and they are the guts, the heart, of corporatisation. Where is the detail? It is certainly not in the bill and it is certainly not something that will come before this Parliament. Unless we know the details of the constitutions, how can we as a parliament be in a position to vote on this bill? Should not the government, in washing its hands of the racing industry, at least be satisfied that there is a fair and equitable allocation of moneys within each of the respective codes, for example, metropolitan, provincial and country clubs? Should this parliament not be confident that, as a result of this revolutionary change within the racing industry, the constitutions for each of the codes are fair and equitable? This all points in the same direction: deals being done, people being locked out and grassroots industry people being excluded for a much narrower group of people who have done deals with the government.

Racing must thrive at the coalface for the industry to survive but this government does not want the coalface to participate fully in corporatisation. It does not want them to have a proper say on who goes onto the controlling authorities. Is it little wonder that racing stalwart, former SAJC Chairman and powerful Liberal Party member Mr Hodge said publicly, 'This is the worst government ever for racing in this state.' We have a Liberal Party member and former Chairman of the SAJC coming out publicly and saying, 'This is the worst government ever for racing in this state.' Is he right? You bet he is right.

How does corporatisation embrace proprietary racing? Does corporatisation allow the controlling authorities to vote in proprietary racing in their code? Will the controlling authorities allow a traditional club to pick up with TeleTrak? What checks and balances are there to accommodate all this? The answer to all this, of course, is that the government does not know, has not thought about it and does not care. What other role will the government have in this corporatisation process other than the Liquor Licensing Commissioner and the Gaming Supervisory Authority? For example, who will make decisions about telephone betting limits? Who will review TAB profit sharing percentages? Will South Australia continue to be represented at the national racing ministers' conferences? Will there be a racing minister in South Australia, and, if so, who? What influence will he or she have in this forum? How can you possibly corporatise until the government's proposal for the TAB privatisation is resolved one way or the other? Who would buy a business without knowing what the bottom line is?

I said at the start of my speech that after a few brief comments I intended to move a suspension of standing orders to enable me to move an amendment. I do that for genuine reasons. Today I gave contingent notice pursuant to standing order 243(2). Pursuant to that particular standing order, one must give 24 hours notice. Of course, I was not to know that the racing bill would be debated today.

The Hon. I.F. Evans interjecting:

Mr WRIGHT: I believe we agreed that it would be discussed this week. I am not going to dispute this because, if the minister says we agreed that it would come back today, I will acknowledge that. I will acknowledge that it was to come back today. That does not matter. Obviously, I was not able to give notice of this before today because the parliament has not sat for a couple of weeks. Members might ask, 'Why did you not give notice of this two weeks or three weeks ago?' The answer is crystal clear: this opposition has gone through a consultative process during the past three weeks with the racing industry before it reached a position with respect to corporatisation.

I am happy to acknowledge the minister's saying we agreed to this today; I am also happy to acknowledge that the minister enabled me to have discussions with people in the industry to enable me to go through a negotiation process so that, after the bill was introduced, we knew exactly what was in the bill. I acknowledge the minister with respect to that. I am happy to acknowledge the comments by the minister with respect to our agreeing it would come back today. Beyond that, I also want to acknowledge that the minister agreed that the opposition would have some additional time to consult with the industry. The minister has been fair in that process with me as the shadow minister. I have no complaints about that. I need to explain why I could not get this particular motion to enable the 24 hours to pass, as is required by standing order 243(2). I hope the government appreciates that this is only a procedural motion which will enable the amendment to be debated so we go into the content and discuss the merits. All that the suspension of standing orders does is facilitate the amendment's being debated. I move:

That standing orders be so far suspended as to enable me to move an amendment without notice.

The SPEAKER: As there is not an absolute majority of the House present, ring the bells.

A quorum having been formed:

Mr WRIGHT: This is only a procedural motion, which enables me to talk to my amendment. I would have thought that, in good bipartisanship, this process would be simple and straightforward taking into account the circumstances I have outlined to the House, which are crystal clear. Quite clearly, I could not give the House 24 hours' notice as parliament resumed only today. Over the past three weeks the opposition has consulted broadly with the racing industry. We have now firmed up a position. If this bill were to be debated tomorrow I would not have had to go down this track. This is purely a procedural motion to enable debate of this amendment and I call for members' support of my motion.

The Hon. I.F. EVANS (Minister for Recreation, Sport and Racing): The government opposes the motion on the basis that this is all about trying to get the parliament to debate an amendment which, it has made clear, it opposes, namely, withdrawing the bill until the TAB has been sold, if that occurs. The government has made it clear that it opposes that proposal. There seems no point in wasting the parliament's time having the debate. If the honourable member wishes, he can move an amendment during committee. I therefore see no reason to—

Mr Wright interjecting:

The SPEAKER: Order!

The Hon. I.F. EVANS: —suspend standing orders at this time.

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.	Koutsantonis, T.
Lewis, I. P.	Rankine, J. M.
Rann, M. D.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
White, P. L.	Wright, M. J. (teller)

NOES (24)

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

Majority of 2 for the Noes.

Motion thus negatived.

Mr WRIGHT: I move:

Pursuant to standing order 243(1) to amend the motion 'That this bill be now read a second time' by leaving out the words 'now read a second time' and inserting 'deferred indefinitely'.

We have just witnessed a government on the run. We have seen a masquerade by this government which would not allow this amendment to be debated. This government wants to abuse its powers and not even allow the amendment to be debated. Hello, Graham! We are used to—

The SPEAKER: Order!

Mr WRIGHT: —your doing that.

The SPEAKER: Order! The member for Lee will resume his seat. For the last time tonight, let us keep this debate on a level plane. I remind the House that members are referred to by their electorates. The member for Lee.

Mr WRIGHT: This government was not prepared to allow a suspension of standing orders so that the opposition's amendment could be debated. However, it gets worse.

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

Mr WRIGHT: Before the dinner break, I had a few words to say about the bill. In good faith, the opposition moved for a suspension of standing orders to facilitate discussion on an amendment which in good faith we drafted as a result of our consultation with the racing industry over the past three or four weeks. Of course, the government gagged us. In opposing our motion, the minister said that I could amend the bill in the third reading. Well, I cannot. The former minister, the member for Bragg, realises that, and I draw that matter to the current minister's attention. This was not in any way a ploy.

The advice from Parliamentary Counsel was that I could not move my amendment in the third reading. If one analyses the matter, one sees that it is pretty much straightforward as to why one could not do that. If I could do that, I would not be amending the bill. I would be doing something completely different. I know the minister is fair, and I want to draw that matter to his attention. The government has missed a golden opportunity. This was nothing but a procedural way of putting on the table for discussion an amendment that the opposition, in good faith and as a result extensive consultation with the racing industry, wanted to bring to this parliament.

Obviously we differ with regard to the philosophical arguments about corporatisation. It would appear that the Independents have a view different from that of the opposition, and they have every right to hold that view. However, I am most disappointed that it is impossible for me to debate a genuine amendment. Obviously, we have our different positions. The former minister and the current minister have done some good things. We have certain views on certain areas, and we will never agree on all things. I am disappointed that the amendment was not allowed.

Mr Lewis interjecting:

Mr WRIGHT: Precisely! The standing orders were not suspended to allow the amendment to be debated, and I am very disappointed about that. Irrespective of our views and political point scoring, whether it be on this suspension of standing orders and/or any other, we have to be big and mature enough to treat items such as that much more maturely and sensibly. This was nothing more than a procedural way to ensure that the amendment which I put forward on behalf of the opposition to suspend standing orders could be debated. It needs to be pointed out that—

Mr Lewis interjecting:

The ACTING SPEAKER (Hon. R.B. Such): Order, the member for Hammond! I draw the member for Lee's attention to the fact that he is going over old territory, and he should move on to discuss new material.

Mr WRIGHT: Thank you very much, sir. I am always delighted to get advice from the Acting Speaker, and I am happy to do that. It is important that I make those points. The minister genuinely believed that we were able to move our amendment in the third reading, but that is not the case. The member for Bragg acknowledges that, and that needs to be put on the record.

We now have before us my amendment with respect to deferring this matter indefinitely. That is not our preferred option. Our preferred option was to move an amendment to defer this matter until the government's proposal to privatise the TAB was resolved and, once it is resolved, move on. We have a difference of opinion about that, and I respect that. The honourable member is at great deference to the racing industry, and he would know that as a result of meetings that he has had, whether it be with the Racing Codes Action Group, the meeting of the harness people or that of the greyhound people.

Irrespective of some of the honourable member's views about individuals who may have put those groups together, he must be mindful not necessarily of the Racing Codes Action Group or the people who are in charge of that group, if he has a problem with individuals for whatever reason, but of the broad cross-section of people who attend those meetings. The honourable member must be mindful of the fact that there has been overwhelming support at a grassroots industry level for a pause with the corporatisation bill until the government's proposal to privatise the TAB is resolved.

One imagines that that will not necessarily take very long. We are not saying that this will occur 12 months, 18 months or two years down the track. Rather, we are saying, 'Finalise your arrangements with regard to the privatisation of the TAB.' Members opposite all know I am right, because they

all know as business people—and they remind us of this a daily basis—that they would not go into any business operation without knowing the bottom line. Members opposite will vote this down tonight, and they will have the Independents supporting them. However, they know that morally the opposition and the racing industry have the high ground on this issue. They know that, and the action that is being taken is what makes it even more disturbing.

Nonetheless, if members opposite win the debate tonight and the bill goes through this parliament, they will know that this is the start of a process, because then it will move on to the Legislative Council. However, minister, you will also have to deal with the racing industry. That is your challenge as minister. That is what will have to be worked through in reality, and that will be your great challenge. Minister, your challenge is not to work this through the parliament tonight, because you have the numbers and you will in all probability win the vote. However, you are not doing what is right. You are putting wrong before right.

In speaking to the amendment, I would like to make a few points. The reason why the opposition has been so adamant about the need for the TAB issue to be resolved one way or other is quite clear. The parliament must be supplied with details of the sale, and a full disclosure of the terms and conditions of the sale. Before we go down any corporatisation model, this parliament and the racing industry should be informed of the financial arrangements of any TAB sale, as well as the conditions of the sale. We need to be informed of the other terms and conditions in addition to the financial arrangements, and that can encompass a broad range of areas such as employment, and so on, as the minister would be aware.

What, if any, potential buyer will not purchase based on those figures that the government put forward last week? The honourable member put forward a set of figures with his heads of agreement with the Racing Code Chairman's Group, and by and large that those figures gave a guarantee to the racing industry for the next three years. They gave a 22 per cent increase. They then gave $19 million or $20 million beyond the three year period, plus a percentage of net wagering. They may or may not be good figures for the racing industry. I suspect that they are not as good as the Racing Codes Chairman's Group made them out to be last week.

We will be critically analysing those figures as we debate the privatisation of the TAB next week. We will not be like the Racing Codes Chairman's Group: we will analyse and model for ourselves whether those figures are good for the racing industry. However, a couple of questions need answers. First, in the model or formula that has been put forward, is there a buyer? It may well be that you have put forward a particular model—not you personally, more so the government enterprises minister—that, for financial reasons, will say to the market and potential buyers 'We will not go into those figures.' It may well be that a potential buyer comes back to the government and says, 'Look, those figures are not on; we are prepared to offer you this' and, as with any transaction, there will be some argy-bargy and so forth and perhaps you will reach a common position—but that happens in free enterprise.

The point is, whatever the parameters of your figures for the privatisation of the TAB, if, because of the figures you have put forward a potential buyer comes up with different figures altogether, where is the racing industry then placed? How can we know from what has been put forward as a result of the announcement last week that those figures will be delivered to the racing industry because—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: You have not got a buyer. Have you got a buyer?

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: You do not have to have a buyer.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: You have an agreement but you do not have to have a buyer.

The ACTING SPEAKER: Order, the member for Lee and the member for Bragg! The member for Lee has the call and should ignore interjections.

Mr WRIGHT: What we have here is a scenario where a set of figures has been put forward. We do not know whether the set of figures will be delivered on. The member for Bragg does not even know when he is correct. He is correct when he says, 'You may not have a sale.' If you do not have a sale, will those figures be delivered to the racing industry? All of this is in great doubt. In addition, what you also need to look at is the information that has been put forward as a result of the government and the Racing Codes Chairman's Group making an announcement. Irrespective of whether or not ultimately the heads of agreement can be delivered, you have a heads of agreement announced by the government and the Racing Codes Chairman's Group—which has no right to negotiate for the racing industry, anyway—with a three year guarantee of a fixed income position.

However, after that three year period, you no longer have a fixed agreement in place. After that three year period you have a set figure and a percentage of the net wagering. What you are then asking the industry to do beyond year three is to go into a new conceptual arrangement which may or may not be good—the jury is out on that. Some might say, 'This is the way to grow the industry; this is the way to move forward and this will be good for the industry.' We all hope you are right, but we do not know that. Not only is the racing industry being asked to look at a set of figures that we do not know can be delivered in getting a buyer but also the racing industry needs to look at a set of figures which gives a guarantee for three years—and remember it comes off a low base.

When you quote a 22 per cent increase, that sounds good, but when you go from $33 million to $41 million and say, 'This is a 22 per cent increase,' keep in mind that we are coming off a very low base. We are coming off a very low base because of what I spoke about earlier in respect of the performance of the TAB. The racing industry and certainly the opposition will be analysing these figures extremely closely. It is one thing for the government to say that we have a 22 per cent increase, but keep in mind that you are coming off a very low base and also keep in mind that beyond the three year period you are going into a situation where there are no guarantees.

Even if this sale goes ahead with the figures that have been put forward by the government and by the Racing Codes Chairman's Group with the heads of agreement, you do not know whether you have a buyer, whether a potential buyer will accept the figures, or what will happen to the racing industry beyond the three year guarantee—and, even with the three year guarantee, you are coming off a very low base. The $7.5 million that will go to the racing industry as additional money is off a low base. That is in a period when the racing industry is screaming out for additional funds for a broad range of purposes. If this corporatisation goes ahead, if the

model that has been put forward goes ahead and if the TAB is privatised, keep in mind that this is a very delicate period where the racing industry is no longer, despite my criticisms, going to have someone such as RIDA in the system, which, obviously, has been involved in a whole range of funding, whether it be assisting with stake money, with SABIS, with marketing and capital development and the variety of other matters that RIDA has been involved in.

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: Yes, I acknowledge that. I put forward my criticisms about RIDA before, but RIDA has also done some good things and I am happy to acknowledge that. What we need to bear in mind—and I am sure we are all mature enough to do so—is that we come off a low base and, if this all follows through, RIDA will no longer be there to put money into racing—the racing industry will have to do it all on its own—and for the first three years it gets an additional $7.5 million. If you work out—73.5 per cent, 17.5 per cent, 9 per cent—how much each of the codes will get, it does not work out to a whole lot of money, particularly in lieu of all the claims in the industry and the competing interests with regard to capital development and capital infrastructure.

I am not too sure where the money will come from for the upgrade of Morphettville, which, obviously, from a thoroughbred point of view, is critical with what happened, unfortunately, with Adelaide Cup day number one. There are a lot of unanswered questions and that is why we put on the record quite genuinely why corporatisation should be dealt with after the government resolves its attempts to privatise the TAB. Everyone knows that is the sensible, logical approach to take. Politics does not always work out that way and nor will it in the future. Having said that, I realise there is a range of bills, including this one, that are still to go before the parliament in respect of racing.

The TAB bill is not just a bill about the sale of the TAB, but it is also about the disposal of the TAB. There is also another bill entitled the Authorised Betting Operations Bill 2000, which is quite a complex bill. When we put the argument that the TAB issue should be resolved before we corporatise, keep in mind that about to come before us—unless the Independents play a role in making the government see some common sense—is that second bill entitled the Authorised Betting Operations Bill 2000.

That is quite a complex bill, and it will need to be analysed extremely carefully. If it has any ounce of decency (as the minister for racing had in introducing this bill), the government will, at a minimum, not push this bill through next week. I said before the dinner break that the minister for racing was very genuine in allowing the opposition some time to consult and negotiate with the racing industry. We respect that, and he deserves to be acknowledged for it. I suspect that, because of the way in which this parliament works, Minister Evans could have brought this bill back seven days after it was introduced, before the parliament had a couple of weeks' break, but he was man enough to allow the opposition time to debate and to consult with the racing industry, and I would like to thank him for that.

At one stage the opposition was asked to debate the privatisation of the TAB this Thursday, which would have been absolutely ludicrous. I do not think that notice was given today, but if the government attempts to introduce the bill this week and debate it next week, it is just not on. It is a complex bill and it is a detailed bill: it is a big bill whereby not only are we looking to privatise the TAB but we also have the complementary bill about authorised betting operations, which is critical to the future of the racing industry. That is very important and it needs to be worked through. As I have said, we do not oppose corporatisation per se. I have to be fair and honest and say that neither in my meetings and my dealings—

The Hon. G.A. Ingerson interjecting:

The ACTING SPEAKER: Order! The member for Lee has the call.

An honourable member interjecting:

Mr WRIGHT: No—

The ACTING SPEAKER: Order! The member for Lee should ignore the interjections.

Mr WRIGHT: You can't come in and—

The ACTING SPEAKER: Order! The member for Lee—

Mr WRIGHT: At least the member for Bragg has sat here the whole time. Don't try to make out that you know something about what I've said, because you don't. He has been here the whole time.

The ACTING SPEAKER: Order!

Mr WRIGHT: You have to stop him interrupting first: that is the first thing you have to do.

The ACTING SPEAKER: Order! The member for Lee will take his seat. The member for Lee does not direct the chair to do anything. The member for Waite is out of his seat and, therefore, doubly out of order. The member for Bragg is out of order. The member for Lee should not encourage interjections, and he should not try to advise the chair.

Mr WRIGHT: I apologise, sir. I certainly should not try to advise the chair. And I am pleased that the Acting Speaker picked up the member, because he is not sitting in his seat and, obviously, he is silent while he is not sitting in his seat. If the member missed the point, I am sorry. I know that the member would not want to stifle the debate; I know that he would want open democracy to be working; I know that he would want me to make the contributions that need to be made with respect to an important bill of this nature; and I know that he would want me to echo the views of the racing industry. But the point needs to be made—and I am sorry that some members missed it—that we are not opposed to corporatisation per se, and neither is the racing industry.

There may be some people in the racing industry who say that this is not the way to go; that the government is snapping the umbilical cord that has always existed: why go down the corporatisation path? But we do not necessarily share that view. We may have some cynicism about the government's timing but the critical point that we have been making is in respect of the timing of this measure and the order in which it should be done. There is little doubt that members of the government have it back to front. They want to maintain that position purely for political reasons, not because they think it is right. They have gone down this path and, for purely political reasons, they do not want to shift from that position.

The minister had a wonderful opportunity last night at Globe Derby, where over 100 people were in attendance; he had a wonderful opportunity at Morphettville a couple of weeks ago, where some 300 people were in attendance—I do not know why he is laughing.

The Hon. I.F. Evans interjecting:

Mr WRIGHT: Are you happy with 200?

The Hon. I.F. Evans: 180.

Mr WRIGHT: Goodness me, he cannot even do numbers. Anyway, it does not matter: whether it was 180, 200 or 250 it has been the case where, quite clearly, at these meetings that have been held, the view that has been express-

ed by the racing industry is that it would like the minister to put this corporatisation bill on hold until the proposal to privatise the TAB has been resolved. Basically, this is the situation. I am very confident in saying that the majority of people in the racing industry support the privatisation of the TAB; the majority of people in the racing industry support corporatisation. All they want is for the TAB to be dealt with first so that they know what their bottom line is and so that there is no uncertainty about their future and they know for sure what their figures will be. The minister had a great opportunity last night, as he was asked time and again to 'Please reconsider', to take the role of a statesman. It would mean very little in reality for this bill, unless, of course (and I do not know what the minister's dealings are, and I am not suggesting this), there is no prospect of the privatisation of the TAB. I do not believe that that is the case.

So, in all probability, some time this year—sooner than later—the government will probably get through its bill on the privatisation of the TAB, it will probably have a buyer, the TAB will be sold if the government gets its way, and it does not appear as though we are talking about a long period of time. All the racing industry is saying is, 'Minister, let us resolve that matter first and then we will go into corporatisation. Once we know what those figures are, let us go down the path of corporatisation.' And, of course, it makes good commonsense. What it means is that, once we know what the bottom line is, the industry is happy to corporatise: I do not think there is much doubt about that. All the industry is seeking is that it be done in that order. I really do not think that that is a big deal. I do not know what the unrealistic expectations are about that. Who is to say, once all the above is known, what the preferred model for corporatisation might be? That is something else that genuinely needs to be considered.

If the government's proposed privatisation of the TAB occurs, we also then have some figures that shake out to the industry with regard to its funding arrangements. I am not saying that this will necessarily be the case but it is at least a possibility. Once all that is in place, who is to say that we would not adopt a different model of corporatisation than currently has been negotiated—unfairly, I say—by certain people through the various codes? So, if and when the TAB is privatised, it may be the racing industry's determination that it would prefer a different type of modelling with respect to corporatisation.

It is also important that we do not get tricked about the government's saying that this means the industry wants to keep RIDA, because it does not mean that. Last night at the meeting to which I have just referred, the minister said, 'I thought that you wanted to get rid of RIDA.' That is what he was saying to those present at the meeting. They were making their point that they did not want to proceed with corporatisation at this stage. The minister's reply was, 'I thought you wanted to get rid of RIDA; I thought I was doing what you were asking.' However, members should not be tricked by that, because RIDA and corporatisation are not mutually exclusive. You can collapse RIDA at any time—that could have been done 18 months ago, six months ago, or today—by bringing a bill into the parliament. Admittedly, some of the functions that RIDA currently perform will need to go into other areas. As the former minister has said, RIDA has done some good things, and I am happy to acknowledge that, but one of the key things with respect to RIDA and the racing industry is money. What the racing industry is most interested in—we need to be interested in other areas as well, of course (the former minister nods in agreement, and he is right)—is its money. So, at any time—

The Hon. G.A. Ingerson interjecting:

Mr WRIGHT: I don't blame them, either—you can collapse RIDA and send the money direct to the codes, straight to the controlling authorities, which would then have control and be able to determine how to spend it. That would take away some of the criticism of RIDA: that some industry money has been used by RIDA without the industry being involved in the decision making process. Of course, the industry has disagreed with some of the directions in which RIDA has taken it. So, we need to be aware that they are not mutually exclusive.

Last week, before the announcement with the Racing Codes Chairman's Group about the government's proposal for the TAB sale, there was a big meeting at Morphettville of the Racing Codes Action Group, to which I have referred. Like the meeting last night, this meeting was virtually universal in its support for dealing with corporatisation after the sale of the TAB. I admit that at this meeting people such as Mr Birchall and Mr Glatz spoke in favour of the government's position. That does not surprise me and it never will.

At this meeting of the Racing Codes Action Group—the one which we are not sure how many people attended—there were owners, trainers, punters, breeders and jockeys—and so the list goes on.

An honourable member: Horses?

Mr WRIGHT: There were horses out on the track. So, there was a fairly broad cross-representation of the grass roots of the industry. In addition, there were some members of the SAJC committee, the Chairman of SATRA, Mr Glatz, a member of SATRA as well—a good sprinkling of about 200 people. I said 300 previously, but I have here 'over 200'. This group of over 200 people want this bill delayed. Why are they all wrong; why was the meeting at Globe Derby wrong; and, why are all the greyhound people wrong with respect to their commonality of views?

The minister has a narrow band of people who are in favour of this proposal: the top end of town, racing administrators from the SAJC and the South Australian Racing Clubs Council, some country clubs in harness racing, and some clubs, but he has a big rump—bigger than I have just acknowledged—who do not support corporatisation at this stage. I say that, because I have received letters from clubs in the thoroughbred area—the minister may have received them also—some of which are in favour and some against. I acknowledge that some country clubs are in favour of corporatisation, but those that have written to me are not. The major source of revenue is against it, as are the grass roots people in the harness racing area.

The Hon. I.F. Evans interjecting:

Mr WRIGHT: The people you met with last night—the owners, breeders, trainers, the grass roots people, the punters—are against it. I think it was pretty universal last night. The situation is that the greyhound people with whom I have had contact are opposed to it also. After this meeting, the government brought out its heads of agreement with the Racing Codes Chairman's Group. I do not know whether that was coincidental or just the way it happened. At the time, it struck me that, as the momentum was building and had been building for a considerable time—with various groups having meetings, taking votes of no confidence in ministers and chairmen (and corporatisation, at this stage), big meetings of the Racing Codes Action Group at Morphettville—within a very short period of time, after three years of waiting for the

scoping study, the government came out with its heads of agreement with the Racing Codes Chairman's Group.

The Racing Codes Chairman's Group has signalled its support for the government's proposal to privatise the TAB. It has alleged that there will be an increase in income streams, but what about the fixed percentage shares for the racing codes from TAB distribution? We will need to explore this further in committee. This is critical, as the former minister well knows. This debate has been around for a long time. What will happen to those fixed percentage shares? I make this point because the Racing Codes Chairman's Group has supported—

An honourable member interjecting:

Mr WRIGHT: No, I haven't said it—the government on its heads of agreement. What does it know, if anything, about whether the fixed percentages will remain or change? What about Mr Inns, the Chairman of the South Australian Greyhound Racing Authority, who says that it is 'a win-win-win, like a box trifecta'? Is this the same Mr Inns who has been crying foul for the past two years about what his code receives from the fixed share distribution?

The point I make is obvious. If Mr Inns supports this proposal which the government announced last week, has he struck up a deal to look after his code? If he has, good on him, but, if he has not, he should not have supported that proposal last week, because his agenda for the past two years, as members who follow the racing industry well know (the minister and I have been to the greyhounds together on a number of occasions and each time this matter has been raised with us), has been that the greyhounds are not getting their market share. He says, 'We get 9 per cent, but we've got 12 per cent or 14 per cent of turnover.'

The Hon. G.A. Ingerson: It's been going on for 20 years.

Mr WRIGHT: The former minister is correct. It has been going on for 20 years. He is dead right, and you will never solve the problem.

An honourable member interjecting:

Mr WRIGHT: Who was it?

An honourable member interjecting:

Mr WRIGHT: No, my father was never racing minister. We would be better off if he had been. I make the point that Mr Inns should not have agreed to anything unless the position with respect to his code has been guaranteed, because his agenda for the past two years has been to consistently argue that his code should get a greater share. I want to know whether he has stitched this up in the heads of agreement with the government. If he has not done so, it is a dud deal for greyhound racing, and he will have failed the greyhound racing industry . We can explore this further. Why would you buy a business without knowing what the bottom line is?

I thought this was a government full of red hot business people. We are reminded of this regularly and the rhetorical question thrown across the chamber is, 'Have you owned a business?' or 'Do you run a business?' as though government members are the font of all knowledge. I would have thought from this side of the House that members opposite would fully realise that not only do you need to know the bottom line before you buy a business or as you are running your business, so in fact does the racing industry need to know what is its bottom line. If it is good for business (and no-one would argue with that or dispute it) why cannot the racing industry also know its bottom line before it goes into any corporatisation model? If the principle holds true for business, the principle holds true for the racing industry with respect to corporatisation and the government knows I am right.

I conclude my remarks by saying that this bill should be deferred until the government's proposal to privatise the TAB is resolved one way or the other. There is clear evidence for that. Why this bill is being pushed through so quickly when the industry has no clarity or guarantee of its major revenue source is a mystery not only to the opposition but also to the racing industry. Why is it happening so quickly when we have been waiting three years for a resolution to the TAB question? It is just amazing that the TAB has gone through this process, which has taken three years from when the government first announced its position with regard to the TAB. For three years we have gone through the scoping study and then we get the announcement last week. One would imagine that the government may finally have got into a position where it will be out there looking to privatise the TAB some three years after it initiated the scoping study and a big period of time since other states have privatised their TABs.

I have put a lot of doubts before the House this afternoon and this evening. I make no apologies for taking the time of the House because it has been very important that the opposition not only addresses the racing industry clinically but also does so assiduously because we do not get the chance to do it very often. We seldom get the chance to debate the racing industry in the detail we have today. We need to be aware of what has occurred over the past few years. We need to be disappointed with the current play and where we sit as a racing industry. All of this needs to be not only raised but also analysed as we go through the corporatisation debate and the debate with respect to the privatisation of the TAB. I am sure other members will echo some of my thoughts; maybe they will not take quite as long, but I am sure they will put forward their contributions.

We simply say this. We are not opposed to corporatisation per se. The minister and I had a couple of discussions some time ago. In good faith the minister put forward his thoughts on corporatisation. We have had a couple of discussions and briefings. All we are asking for is what I would have thought was very simple. If it was not for political reasons the government would admit that it makes good sound logic to do the privatisation—the government's proposal to privatise the TAB—so we know what is the bottom line with respect to the racing industry before we do corporatisation. It also makes good common sense for the process to be fair and accountable. I have given a number of illustrations and examples this afternoon whereby quite clearly that process has not been fair, has not been accountable and for that reason as well this corporatisation should not proceed. We are disappointed with the performance of the government, particularly since 1996 and since the introduction of RIDA. We are disappointed with the performance of elements of the racing industry. We are disappointed with the direction and leadership provided by this government and we believe the government, following the minister's stewardship, has taken a policy position that is not the correct position and I have provided ample examples of that today.

The racing industry is at the cross roads. No longer can any further mistakes or pure political decisions be made for the sake of political benefit with respect to the racing industry. We say that we must get it right. We also say that there is a very simple, fair and better way of doing this and the best way of doing this is not only to resolve the TAB situation before you corporatise but also you should bring in

the bill about TeleTrak. It is only then that all the cards will be on the table. If you go ahead and privatise the TAB the racing industry will support the corporatisation model, so why on earth you would not do that and have their support, I do not know. Another thing that should be put before the parliament and before corporatisation is the bill on TeleTrak. Your bill on TeleTrak will have obvious effects on the racing industry. As a consequence your bill on TeleTrak will also have an effect and impact upon corporatisation.

Not only do you strike this out because the TAB matter is not resolved, not only do you strike it out because you have not had fairness with the process, but also you can strike it out because of TeleTrak. I will not go into much detail because when the bill comes before the parliament I will have ample opportunity. If you think I have made a contribution today, wait until I speak on TeleTrak. What you need to realise with TeleTrak is that we are the only state, as I understand it (I may be corrected) that is going down this path to license TeleTrak. All other states have dismissed TeleTrak. It is my understanding with TeleTrak that they can go ahead and commence proprietary racing with or without legislation. The former minister nods his head. They can go ahead and do this, here or anywhere else. The former minister nods his head again.

South Australia wants to corporatise the racing industry while no other state wants to do it, but in addition it wants to thrust TeleTrak upon the racing industry for pure political, crass reasons: because it will satisfy an Independent. The government does not believe TeleTrak is the right way to go. It does not believe that TeleTrak stacks up. It does not believe that TeleTrak is best for the racing industry, but it will deliver for a political reason. Whatever effect that may have on the racing industry, too bad; they do not care! They will deliver on TeleTrak for pure political, crass expediency. What it does to the racing industry, who cares, who knows and who worries?

I hope the former minister—because he knows what I know—is big enough to do what I am going to do. I will lay on the table all that I know about proprietary racing, TeleTrak and the individuals involved in it. If members opposite are embarrassed by this debate, wait until we go into the TeleTrak debate. We know the minister is embarrassed because he is not a good poker player. We can see the look on his face. We know how embarrassed he is because we know that he knows that we are right on this issue with respect to corporatisation.

But wait until we get to TeleTrak because, when we get to TeleTrak, we will be bringing before this parliament all the information. The former minister hopefully will stand up and be counted as well, and we will bring before this parliament all the relevant information on TeleTrak—all the relevant information about how much capital they have, about past history and about individuals who are involved with TeleTrak—to ensure that the racing industry is fully informed about TeleTrak and about the individuals who want to bring TeleTrak at a proprietary level into racing, their backgrounds and how much finance they have to put into this. I challenge the minister to bring forward the TeleTrak bill tomorrow or as soon as possible. It was raised in the Governor's speech last year and I challenge the government, as a matter of urgency, to bring forward that bill so that it can be debated. When it is debated, this side of the House will be putting before the parliament all the information that we have about TeleTrak.

The key point with respect to corporatisation is that the racing industry deserves to know the detail of the government's bill on TeleTrak. If the government is going to do it, do it; bring it in here, let us see it, let us debate it and let us share it with the racing industry so that there can be no doubt about the role of this government when it comes to racing. At the moment there is very little doubt about the government's role in racing; at the moment very few people have any respect whatsoever for the government when it comes to racing. When the government brings forward its bill on TeleTrak, it will be the absolute end, because it will highlight what effect TeleTrak proprietary racing will have on the racing industry. If TeleTrak were such a good scheme, if proprietary racing were such a good scheme, why would other states not look at TeleTrak and proprietary racing? They will not do that because they know it is a dud program, a dud scheme, and they know that the government is bringing forward particular policy initiatives based on no merit but, rather, simply for crass political expediency.

I summarise my comments this afternoon and this evening by saying that this government has lost the plot; this government has got it all wrong; this government has no credibility. If this government had any courage of its convictions and was prepared to show any statesmanship at all, it would say right now, 'We will concur with the racing industry.' Do not worry about the opposition: we know you would not agree to something that the opposition put forward—even if it was the right way to go. The government showed that with the private member's bill on SATRA last year. We know that the government would not do what is right for the racing industry and the state if the opposition proposed it, but do it for the racing industry; do it for the grassroots people in the racing industry; do it for all the people with whom you have met over the past few weeks; do it for members of the racing codes action group who met with you at Morphettville and the people who met with you at Globe Derby last night; do it for the people who say that this process has been a shonk; do it for the members of the country clubs who will not go on record because they are too frightened that the government and/or controlling authorities will shaft them if they come forward and say what their preferred position is. Do it for all those people. Be big enough to do it for all those organisations, just for once in your life; take notice of what the grassroots racing industry people are saying and do what is right for racing.

The Hon. I.F. EVANS (Minister for Recreation, Sport and Racing): I seek clarification, sir. Are we debating an amendment?

The SPEAKER: I remind members that we are in the second reading debate. The amendment and the motion are before the chair. We will be dealing with the second reading speeches, after which I will put the question, and then we will be dealing with the amendment.

The Hon. I.F. Evans interjecting:

The SPEAKER: No, there will be a vote for the amendment. I will put the amendment and, depending on which way it goes, we will take the final vote for the second reading. You cannot speak until all the second reading speeches are over.

The Hon. G.A. INGERSON (Bragg): I have sat here for nearly three hours and in that time some very interesting comments have been made in this debate by the member for Lee. I suppose the most amazing thing is that, if you heard

the remarks made before dinner and those made after dinner, you would have to say—and there were more than a couple of glasses of red it was suggested I was going to have over dinner—that there was an absolute backflip in terms of the argument—

Mr WRIGHT: I rise on a point of order, sir. When I take a point of order, you sit down.

The SPEAKER: Order! You will address your remarks through the chair.

Mr WRIGHT: Thank you, sir. The former minister, the member for Bragg—

The SPEAKER: What is your point of order?

Mr WRIGHT: My point of order is that he has impugned me. He said that I have been drinking red wine over the dinner break. I take great exception to that and I ask that it be withdrawn.

The SPEAKER: Order! There is no point of order but it is not appropriate for the tenor of this debate if we start launching into allegations such as that. I ask the member for Bragg to perhaps withdraw.

The Hon. G.A. INGERSON: I apologise. One of the interesting things in this debate involves structure. The one piece of advice I can give to all members of this House is that structures are actually irrelevant: it is the people you put into them that matter. Probably what is more important—and I can talk about this more as a result of experience than anyone—is the people you do not put in. I suggest that whatever structures we have, whether for the racing industry or any other committee or board, no minister will ever get it right the first, second, third or fourth time. It is a matter of gradually trying to make a series of changes.

I am sorry that the member for Lee is leaving the House because we sat here with interest during his speech and I would have thought he might stay. It would be easy for me tonight to get very personal in this area—but I do not intend to do that—in relation to a whole range of people who have been involved in the industry. I could do that very easily and probably better than most because I know a lot more stories about this industry than anyone else. I do not intend to do that, however, because it is more important that we recognise a few things that have been done by the industry in the past and that we look at what ought to be some decent structures implemented in the future.

I was reading this morning the debate that took place when this legislation was set up in 1996, and I thought it worth while putting on the record a few of the quotes from that debate. At page 1344, it states:

> . . . unsatisfactory control on expenditure across the industry, particularly in relation to the Racecourses Development Fund, country racing venues and metropolitan venues is an important issue.

Another interesting statement was that good work was done by Mr Hodges, SAJC Chairman, in the negotiation of this particular area. I also note that independence was essential and that we needed to ensure that RIDA was independent; that the rolling together of these bodies (the RDB and the Bookmakers Racing Appeal Tribunal) into RIDA was a good thing; that the RDB ought to have some discretional funding and that how the funds were spent was very important; that there ought to be demands on the industry to support generally the funds but some provisos should be placed on the industry; and that some of the strings could be loosened up. Probably the most important quote, from my point of view because I think that it is quite ironic, states:

> We must not make the mistake of appointing to these boards people who are simply not up to the task. Let us try to avoid political appointments and appointments swayed towards patronage against ability.

Those quotes happen to come from the then shadow minister, the member for Hart. It is a pity that I did not take notice of some of those comments, particularly the last comment because, in fact, I should have appointed a few people on patronage and not ability because, as minister, I would not have experienced some of the problems with which I had to deal. I disagree with that statement. I believe that we ought to be appointing people on ability and that, in every opportunity, we ought to be attempting to appoint the best possible boards.

Something that has concerned me in this debate has been the criticism of RIDA which, I believe, is totally unjustified. It is important that some of RIDA's achievements are placed on the public record in order to correct not, I believe, an attempt to mislead in a total sense but a misinformed shadow minister. Having been on the other side of this chamber and having been a shadow minister, I know that you do not quite have the opportunity to read everything and to get everything right. However, when one is wrong it ought to be pointed out and made very clear. To remind members, RIDA was established to guide the development, promotion and marketing of racing; to manage the funds established under the act and to distribute that money for the benefit of the industry; to encourage and facilitate the development of the breeding industry; to regulate and control betting within the state with bookmakers and sporting events; and to conduct and commission research.

They were RIDA's fundamental goals. We ought to measure against those goals the achievements that have actually occurred. First, let us look at the breeding industry because, prior to the establishment of RIDA, there was a tremendous amount of encouragement from the breeding industry to set up a scheme similar to Victoria's, and that has been done. In the four years since the establishment of RIDA, $3.4 million has been put into the breeding industry via SABIS.

The effect of that funding was very clear at the last Magic Million sales in South Australia, where the average price of a yearling sold increased from $26 000 to $36 000. In the previous year there was a maximum $90 000 sale for a single yearling, and that increased to $230 000. Eight yearlings sold for over $100 000 each—a very significant increase as a result of money which had come from the old RDB fund and gone directly into the breeding industry. Whilst those figures are related to the thoroughbred industry, in percentage terms the same has happened in the areas of harness and greyhound racing. Support for the scheme is very significant. Owners in all three codes support the scheme very strongly and, if I were asked, I would say that that is the most important scheme that RIDA has put in place.

The second issue relates to the role of financial management. Those members who take the time to read the information from 1996 will note that when this framework was put in place about 70 per cent to 80 per cent of all clubs in South Australia were running a deficit. They did not know to what extent they were in debt but they in fact were running a deficit. There was no five-year plan. There was no plan at all in terms of where they were going and, with the support of some money from RIDA, Arthur Andersen was asked to look at the industry. That organisation developed a plan for the whole industry and, within two years, most of the clubs were trading profitably.

So, in that very short period of time the clubs had moved from virtually having no five-year plan to having in place a five-year plan and in fact going from deficits into profit. That happened as a result of funds from RIDA and the consultancy of Arthur Andersen. During that same period, there was a growth in alternative non-wagering revenue sources, such as sponsorship, which was encouraged by RIDA. E-commerce, in terms of stakemoney payments to the industry participants, was put in place and, overall, there was a reduction in industry debt.

An example was the $200 000 commercial bill on Globe Derby Park as a result of the relocation of the SAHRA offices from the city to Globe Derby Park, which occurred as a payment of a loan at Angle Park. RIDA has come a long way in terms of the management of the industry. With respect to industry finance, there was a significant increase in government support for the racing industry. Something that is often not talked about is that, in 1996-97, cabinet decided to make a special grant of $2.5 million to the racing industry. It allocated the same amount in 1997-98, $2 million in 1998-99 and a further $2 million in 1999-2000.

That $9 million allocation to the industry from the government is over and above all distributions from the TAB. There has been a very significant involvement of government in RIDA, and that money has flowed through to the breeding incentive scheme, to better management, to better capital works programs, as well as to a range of other issues, including the increase in stakemoney.

Growth in minimum stakemoney for races in all codes, metropolitan and country, commenced with the jockey club in 1993-94. Minimum stakemoney at that time was $12 000, while in 1999-2000 stakemoney was $19 000, an increase of 58 per cent. We all know that those figures are much lower than those of competitors interstate but, in this four-year period, when there is a criticism that virtually no money has come through RIDA to benefit the industry, there has been a very significant increase in stakemoney.

Also, another issue that has been played up today is the lack of capital works money that has been spent by RIDA. I find it quite amazing that the shadow minister has not been able to ascertain this information. All he needed to do was contact the Racing Industry Development Authority and, being an independent authority, it would, I am quite sure, have given him that information.

The shadow minister needs to be informed that the previous Racecourse Development Fund, which was managed then by the committee set up through an act of parliament, was in fact reducing the amount of money that it was spending on capital works well prior to the formation of RIDA. In fact, $1.1 million was being put into stakemoney by that board well before the set up of RIDA. I find it amazing that the shadow minister did not bother to find that out. All he had to do was to contact RIDA. He also talked about $7 million going into capital works. The reality is this—and I put it on the public record—that capital works in 1996-97 was $1.67; in 1997-98, $3.26 million; in 1998-99, $.382 million; and in 1999-2000, $5.48 million—a total of $10.75 million over that four year period. I cannot understand why the shadow minister could not find that out. It is not very difficult. If an ex-minister can ring up RIDA and find that out, I would have thought a budding, up and coming young shadow minister new to the game, might try to find it out. It is a very simple thing to do—just ring RIDA. If he cannot find out how to do it, I will give him the phone number afterwards.

These are the sorts of things that make me very cross. The industry itself does not bother to find out these things. There are the usual malcontents—and we can all name them; there are about half a dozen of them. Every single minister, Liberal or Labor, knows the same group of people. They know everything. They stand for the jockey club committee, the harness racing committee and the greyhound committee and they fail all the time. But they are the experts! They are the only ones who ever know anything about anything—except they do not know how to count. They have not yet worked out how they can get themselves elected. It is the same group of people.

The other day, the same group of people, complaining, rang me the other day and said, 'RIDA has never distributed any money.' I would like to insert a table into *Hansard*. However, before I do that, I would like to quote some statistics from it. The following amounts of money went into the breeder incentive: $100 000 in 1996; $393 000 in 1997; $1.3 million in 1998; and $1.5 million in 1999—a total of $3.47 million. The following amounts of stakemoney were funded by RIDA: $2.7 million in 1996; $3.07 million in 1997; $3.4 million in 1998; and $3.4 million in 1999—a total of $12.7 million has gone into stakemoney out of RIDA. In marketing RIDA has provided the following funding: $.379 million in 1996; $1.3 million in 1997; $1.4 million in 1998; $1.5 million in 1999—a total of $4.7 million. Often there is criticism of marketing, but prior to RIDA's being set up, the TAB was the only group that did anything. The racing industry did not do anything. Members of the racing industry asked me, 'Where can we get some money for marketing?' RIDA has done it for them. Ninety per cent of that marketing was done with the support of the racing industry.

RIDA has also provided the following funding for industry restructuring (including Sky) $.348 million in 1996; $.48 million in 1997; $.449 million in 1998; $.35 million in 1999—a total of $1.67 million. In terms of the TAB, it provided $.3 million. In the four years of the setting up of RIDA, $33.5 million over and above the distribution of funds to the racing industry went directly to the racing industry. RIDA itself has the most efficient operation. The costs were less than when we took it over. It did a few more extra things in the past couple of years, but fundamentally the cost was significantly less. So the capital works issue is an absolute nonsense.

I heard some comments about the TAB. The shadow minister forgets that $600 000 goes into Sky. Who would pay for that if RIDA did not encourage that to happen? It is now paid by the TAB. There is $3 million in terms of a commercial agreement with the TABCorps in Victoria. Who will pay for that? The racing industry. Are we going to go back to when we had the previous TAB board that got rid of all the marketing dollars and distributed all that money to the racing industry, and the TAB turnover went from $515 million to $495 million a year? We went backwards under the previous system. RIDA has really done a fantastic job. It could have done a better job. Unfortunately, like all the racing industry, it was hamstrung because of the malcontents. Unfortunately, there are a few of them, and they are all over the industry.

Since the industry wants to go ahead with its own group, using this system, it might get something done. The people who have been on RIDA have done a fantastic job in making sure that it dealt with all the issues required of it by the act. Some people will not agree with that, and I understand that. However, those same people also cannot win when they stand

for election at any of the areas. The same group of people have complained to me, to Labor, to everybody else.

The SPEAKER: Does the honourable member wish to insert something in *Hansard* before his time expires?

The Hon. G.A. INGERSON: Yes, Mr Speaker. I have a table in relation to racing industry funding by RIDA that I would like to have inserted.

The SPEAKER: Does the member assure the House that it is purely statistical?

The Hon. G.A. INGERSON: It is purely statistical.

Leave granted.

Racing industry funding by RIDA

	1996-1997	1997-1998	1998-1999	1999-2000	*Budget Total
Capital Works	1 670	3 263	382	5 480	10 795
Breeder incentive	100	393	1 359	1 555	3 407
Stakemoney	2 751	3 074	3 484	3 410	12 719
Marketing	379	1 328	1 496	1 500	4 703
Industry restructuring (including Sky)	348	480	449	350	1 627
SATAB additional	-	-	-	320	320
RIDA funding	5 248	8 538	7 170	*12 615	33 571

Time expired.

Mr FOLEY (Hart): I rise tonight to follow my colleague the shadow minister for racing. Fortunately for most, the standing orders of the House will prohibit me from speaking as long as the lead speaker. As a former shadow minister for racing, following a former minister of racing and, indeed, you, Mr Speaker, as a former minister of racing, there is a collection of views in this House about the racing industry. I would like to touch on a couple of points about RIDA before I get onto the substance of my speech. I was the shadow minister at the time who gave the then minister, the member for Bragg, full and unqualified support of the opposition to put that bill through. You could have knocked me down with a feather tonight when the former minister opened up his contribution with the same set of words he uses when he speaks every time—but I put that aside; he quoted me extensively. I was stunned, because it is praise of the highest order when your political opponents begin their contribution by quoting you. I was humbled and touched that the minister would have gone to the trouble and effort of looking up the archives to get my contribution back in 1994-95 and use that as the basis of his speech tonight.

The Hon. G.A. Ingerson interjecting:

Mr FOLEY: It is touching that you found my contribution so correct, uplifting and important that you would use it again tonight. In fairness to the former minister, in 1994-95 we took a punt with RIDA because clearly the racing industry was not performing well, was not cohesive and was not delivering the outcomes that were required of the government, the racing community and the broader community. The minister and I had some discussions. We had some disagreement on the final structure. Ultimately, he was the minister and it was his government; it was his right of way, he had the numbers, and I was happy to back him in with RIDA. History has shown that RIDA has operated now for a number of years, and I will leave it for others to judge. Since being the shadow minister, I have taken less direct interest in the activities of RIDA. Indeed, when RIDA was set up, there was also a sunset clause in the bill. RIDA was a transitional body. Whether it has performed as it was required to, I simply cannot comment on, and I will defer to the judgment of my colleague the shadow minister for racing on that. It was an indication that action needed to be taken by government to deliver some new arrangements for racing in this state.

I want to turn to where we are tonight, and I am very disappointed that the government did not show courtesy and good grace, and allow the parliament to debate a motion to defer this legislation. I am putting my hat on now as the shadow treasurer for the Labor party. I have to be honest: it is silly and simply poor process for us to be debating tonight an overall structure for the racing industry before we have had a fundamental debate about the future ownership of the TAB and, perhaps more importantly, the regulatory framework that will be put in place to manage gambling on racing in this state following the sale of the TAB.

There are two bills: one bill is to sell the TAB and with that comes a funding arrangement for industry—and I will touch on that briefly in a moment. Just as important—indeed, some would argue perhaps more important—is the licensing and regulatory framework for a privately operated betting agency for racing in this state. I think it is wrong, a bad process and bad public policy for us to be debating tonight the merits or otherwise of a corporatised structure, a privately run structure, for racing until we know what the rules are and what the playing field is for racing. We cannot predict whether or not the TAB will be sold—we do not know that. Even if it is agreed by the parliament that it should be sold—and that may well be the wish of this parliament—at the end of the day, we do not know whether the agreement struck by this government in terms of what the return will be to racing will find its way into a sale agreement.

It is all well and good for the government and the racing industry to sign a document that says, 'We get $18.25 million; we get a guaranteed $41 million for the first three years, and then we get a guaranteed $20 million, plus a percentage of net wagering revenue', but at the end of the day I do not know whether that will be particularly attractive to a buyer. It probably will be, but it might not be. We might find that the government is in a position where it has one or two bidders for the TAB: it does not have the mass line-up of potential bidders that it might have liked and suddenly power transfers. When governments sell businesses power does not always remain in the hands of the government: power can transfer. If you find you have only one or two buyers for the TAB, the power in the equation transfers as much to the buyer as it does to the seller. Then what you find is that the buyer might say, 'We are going to put a bid in for the TAB, but we will not cop this $41 million guaranteed', or, 'We won't cop the $20 million guaranteed with the percentage of net wagering revenue.'

I do not know whether that is a likelihood—maybe it is not. I would have thought, though, that there is a reasonable chance that could be an outcome. What we might find is that the government, forced to sell the TAB, has to make a new arrangement; has to go back to industry and renegotiate what the funding levels will be. Therefore, until that process finds its end point, until that process works its way through, how can we decide tonight whether or not we have in place sufficient ongoing funding for racing in this state that will mean that racing does not come back to the public purse, back to the taxpayer, for more money? It is putting the cart before the horse. It is not unreasonable for an opposition to be saying that, before we debate the corporatisation of the industry, let us debate and decide, first, whether to sell it; and, secondly, if we can sell it, what that final sale is.

I will come back to my point—and I hope the Independent member for Gordon is listening to my contribution as is

normally his wont; I know he is an avid reader of *Hansard* the next morning after I have spoken (clearly, government members are hanging on my every word; they have emptied the chamber): we do not know what will be the end position with the sale of the TAB. I suspect that the arrangements that the government has agreed to with the racing industry—$18.25 million—will not affect the buyer because that will come off the government's bottom line, but I suspect that the ongoing $41 million for three years automatically will rule out a number of potential buyers for the TAB.

That one decision last Friday to sign off with the racing industry has already narrowed the field of the companies either wanting to or able to put in a decent bid for the TAB. The field perhaps is narrowed and maybe they will be able to live with the arrangement the government has negotiated with the racing industry—maybe they will not. It just seems to me that we should not be agreeing to this corporatised structure if there is any chance that a different outcome will occur. Where will we be in a week, a month or a year's time if we pass this bill tonight—and I pose this question to the Independents—and the parliament agrees to the sale of the TAB—and given the government's numbers that is not a certainty, but let us say it happened—and then we find that the arrangement with the racing industry is changed or has to be changed at the point of sale of the TAB? We will find the racing industry coming back and saying, 'Look, MPs, we have to do it again, we have to make some adjustments. You have not really given us enough money to stand on our own two feet; we will still need some contribution from the taxpayer.' I do not know, but I would much prefer that situation to have been resolved before tonight.

The important thing with the sale of the TAB is that it is not as if the government has not had some time to work this out. The sale of the TAB has been on the government's agenda for two years. I can recall discussing this very point with various members of the government when I was the shadow minister a couple of years ago. Here we are two years down the track, we get a bill last Friday and telephone calls from the minister indicating that he wants to debate that bill this week. The process within government is staggering. Just briefly, on the agreement that has been struck between racing and government, whoever it was that was assisting the process has come up with a set of numbers which, on a cursory look, I think indicate that the government has signed off on something for political expediency.

The $18.25 million particularly worries me because what we are saying—and whether or not the racing industry likes to hear this; it is a public asset—is that we will give the racing industry $18.25 million with no strings attached: here you go, there's the cheque—there's the truckload of dough—spend it as you wish! I do not know of too many cases when it comes to public policy with finances that you actually give them a cheque and do not put in a few benchmarks or a few criteria about how you might want that money spent, where you think that money should go; or that, in this case, government does not sit down with racing and negotiate some agreed priorities as to where that money will be spent. How do we know the SAJC's share or thoroughbred industry's share of the $18.25 million? How much will be spent in the Murray Mallee, the South-East, the Mid North, Gawler, Cheltenham, or will it all be spent at Morphettville? I do not know and I am not the one to judge whether or not that is a formula.

All I do know is that, if I were the treasurer of the day, I would not be giving the thoroughbred racing industry (or all three codes) $18.25 million to spend as it wishes. To me that is again an indication of very poor public policy, particularly when it relates to finances. The image of the government appointed chairs of the committees in the parliament last Thursday to sign off on an agreement with the government was a bit cute by half. I noticed the people here: Mr Inns, I think it might have been Mr McEwen and certainly Mr Michael Birchall were here.

Mr Wright interjecting:

Mr FOLEY: As my colleague the shadow minister indicated, they are government appointments: they are not elected representatives of an industry; they are the appointees of government and cannot be judged in any way, shape or form as being truly independent and truly representative of industry. By that I do not necessarily reflect criticisms on them. They have accepted jobs, quite correctly so, and they are doing them to the best of their ability, but at the end of day they are government appointments, nothing less than that, and it cannot be said that that is a sign off with the endorsement of the entire industry: it simply is not.

I would like to touch briefly on my experience with the racing industry as shadow minister, before being shadow minister and indeed since in other capacities I have had. The racing industry is a peculiar industry, I have to say. That was really one of the reasons why the then minister and I agreed to the formation of RIDA: we did not have a lot of faith and confidence in the way in which racing was being administered. I have to say that I do not have much more confidence in them, if any more, as they have shown themselves to me to be a very difficult group to relate to but a group—particularly the thoroughbreds—that seems to be, in a sense, a political nightmare of an industry. There is so much infighting, political play and conflict that, to think of this industry now running on its own with about $10 million or $12 million of taxpayers' money in a lump sum and $40 million (or whatever) guaranteed, really is a frightening thought. Perhaps it can work, but it does not fill me with a lot of confidence.

I suppose I make those statements because I witnessed, as you would recall, Mr Speaker, some very unsavoury happenings some years ago (and I will not make comment concerning the member for Bragg, because that was an issue between him and I as political opponents) when I saw the political games being played within the SAJC and the appalling way in which Merv Hill, then Chief Executive Officer of the SAJC (and I will declare quite up front, as I have done before on the public record, that he is a close personal friend of mine), was treated and the way in which he was caught up in the petty jealousies and political infighting of that organisation. A group of individuals on the SAJC who could not see the vision, and who could not see that they needed to have strong leadership, decided to summarily dismiss Mr Hill and to send him packing.

Mr Wright interjecting:

Mr FOLEY: As my colleague the shadow minister said, Mr Merv Hill now is, arguably, one of the most powerful racing administrators in the nation, as the head of the New South Wales Thoroughbred Racing Authority, and he must look back on his time in Adelaide with some amusement. But I am not amused, because I remember what occurred. I remember the individuals and I remember the way in which they related to the Labor Party, to me, to the now government and, indeed, to the then minister when he was in somewhat of a political hot spot. And I will name names: Michael Birchall. I think that the conduct of Michael Birchall as Chairman of the SAJC over the issue of Merv Hill was an

absolute disgrace. He decided that the SAJC was not big enough for him and Merv: Merv had to go. Merv went. Merv was paid termination payments—and I know that for a fact, because Merv has told me, and a friend of mine acted for him in his legal proceedings. The taxpayer had to pay further money—another $70 000—to terminate his contract out of RIDA'S reserves, I think, at the time, because Michael Birchall could not get on with Merv Hill. I think that was pretty poor form.

I do not want to go on too much about that point. Some will say that it is sour grapes, but I do not really care—maybe it is. I certainly recall the way in which the SAJC at the time thought that this government would be here forever. It was not on its own in thinking that back in 1996, because very few in the industry gave me or my colleagues the time of day; they thought that we would be in opposition for the next 16 years, so they could basically ignore the opposition, treat us with contempt and almost get down on their knees and pray to the government of the day.

As I said, when the former minister for racing (the member for Bragg) was in serious political trouble in this parliament, a cheer squad was led by Mr Birchall, who made a very fatal mistake. He was a racing administrator, and he crossed the line and entered into the body politic. The minute he did that, as far as I am concerned, he was fair game. I did not step into his domain and debate the politics of racing, but he chose to defend the member for Bragg at a time when he was in what I believe should have been an independent position, and he should not have weighed into that debate.

I fronted Mr Birchall about that matter. We have had it out with each other and we no longer have any great rapport or any individual liking for each other: that is neither here nor there. But the SAJC does not let up. I was at the SAJC just recently, in a moment of weakness. I said that I would not go back to the SAJC for a dinner if I was invited and, for some bizarre reason, I accepted—certainly, for the last time—an invitation to attend the Adelaide Cup. I sat next to Peter Lewis—not Peter Lewis the member for Hammond, but Peter Lewis the Deputy Chairman of the SAJC. We had a good old jovial chat. I certainly was there as shadow treasurer, I think my colleague the member for Elder represented the shadow minister, and I think my colleague the member for Playford represented the Leader of the Opposition. None of us, of course, was on the head table: that was reserved for the minister, the Governor, the Premier and any other Liberal Party person whom they could squeeze onto the table. But never mind!

The Deputy Chairman of the SAJC had the audacity to say to me that he was disappointed with my colleague the shadow minister, because the shadow minister for racing tends to listen to the rebels in the racing industry and does not listen to the hierarchy of the SAJC. I thought it was very tacky and very poor form for the Deputy Chairman of the SAJC to be extremely critical of my colleague at a luncheon table. In fairness, I was extremely critical back about Michael Birchall, and I made some comments about him to Mr Lewis which I am sure he relayed.

This just shows the very silly politics of the SAJC: that it cannot get it right when it comes to the art of politics and of dealing with the opposition. Of course, Mr Lewis then went on to say that Mr Birchall and the SAJC were right to get rid of Merv, and all that. I am sure that Peter Lewis will read a copy of my speech tonight. I understand that, from time to time, Peter Lewis gets a bit emotional when he is confronted by other people. As far as I am concerned, sir, the SAJC cannot be trusted with $18.25 million.

Mr LEWIS (Hammond): It strikes me that the sooner the racing industry in South Australia becomes master of its own destiny, where it is divorced from and outside the ability of politicians to screw it up, the better. What I have seen in recent times can only be described, in the kindest possible terms, as a screw-up. I do not want to get into holts with the member for Bragg over his perceptions of what has happened since he became minister and since he left the ministry.

However, the remarks that are made to me by people who are honourable and trustworthy in the opinions that they have expressed to me on a range of issues over many years, and others from within the industry for whom those same people are prepared to vouch, have led me to the conclusion that we have not covered ourselves in glory in recent years—in fact, anything but.

It strikes me, from what I am told, that there has been inadequate consultation, particularly with the country and provincial club committee members and their rank and file membership about the way in which they fit into the model of corporatisation that has evolved over time—and it has not been a very long time. The minister was only recently appointed to his post and, to his credit, immediately took up the challenge of attempting to get something which would enable the racing industry to go forward from here, whether it is any one of the three codes that have traditionally enjoyed, if you like, the patronage of parliament and the other forms which have been deliberately excluded.

For instance, I tried to help the Quarter Horse Association when it attempted to become a legitimate racing code, but was shut out. At that time, of course, the Labor Party was in office. It is, to my mind, miserly of the people who shut the Quarter Horse Association out of flat straight racing as another form, because it attracts an enormous audience in the United States, where it has been undertaken commercially very successfully without the interference of government.

In any case, that is now part of history, and it shows that, for the purposes of these remarks tonight, all the mistakes that have been made have not been made by this government but that, in the interests of freedom of expression of the kinds of recreational activities involved in various possible codes of racing that could have been undertaken here to develop new industries that would have put us in good stead to pursue such things as TeleTrak from now on, they have not received that kind of reasonable and reasoned consideration.

Most of it has been rhetoric, and far too much of it has involved doing things for mates at rates that suit mates—in other words, cronyism. Any laws that are based on that kind of an arrangement are sick. They will not stand the test of time and they will not win the respect of young people coming into the industry who want to see that it is objectively structured and that, whatever their particular bent, they are given a fair go—whether they come in as jockeys, owners, trainers, strappers or any other occupation in the industry.

When they see that it is not what you know but whom you know that determines what is to be done, they become cynical. Indeed, the most objective members of the community at large walk away from it. So, we begin to lose the support of intelligent, ethical and principled young people. That has happened in South Australia over recent times: they do not like what they see, so they are not attracted to participate in the industry.

To illustrate the remark that I made about inadequate consultation, I tell you, Mr Speaker—you do not need me to tell you because you have been intimately interested in and involved with the racing industry for much longer than I and would know, I am sure—that, throughout country and provincial clubs, committee members and ordinary members do not know what this corporatisation proposal contains and do not understand why we are doing this.

I have set out to explain to them that I do not think that the government has a place in running their industry and that they are better off without it. I, therefore, reiterate the remark I made at the outset. I go on from that and say that, under this proposal, if you have an existing, inadequate administrative structure in one form or another, changing its name or ownership will not make it more adequate or competent. Yet, it seems to me that that is what we are proposing through this legislation. We are washing our hands of the mess and saying, 'Over to you boys and girls, you sort out the mess', because it is no longer possible for us as members of executive government or members of parliament to have a role in doing that. That is a pity.

I was inclined, originally, to support the bill which was defeated a few months ago which the member for Lee brought into the parliament, because it was a step along the way towards achieving corporatisation. I was assured that we had in hand wholesale changes which were widely accepted in the industry and which would do away with the need for government to be involved in it. I took that counsel in good part. In some measure, what the minister meant is not what I understood him to say. What we have and the way in which we have achieved it is not what I consider to be a desirable alternative to the step proposed by the member for Lee.

I agree that Merv Hill should not have been sacked. The member for Hart has got that right: I do not think that the manner in which Merv Hill was treated has done anything for our reputation as a parliament or for the industry in South Australia. I do not think the industry had much say in it—it is a pity he has gone.

As it stands at present, members of country and provincial clubs do not see themselves as being adequately represented in the transitional structure. They have put to me that the constitution should have provided in the structure of the board (clause 12) not only for SARCC and the SAJC to have a power of veto over each other's groups of nominees for the board but that the delegates of the Australian Trainers Association (South Australian Branch), the Thoroughbred Breeders Association (South Australian Branch), the South Australian Jockey Association, the South Australian Bookmakers League and the South Australian Racehorse Owners Association ought to have had the same power to force the SARCC and SAJC nominees to respond in the same way to them.

They should have had the power of veto over one of the nominees of the SAJC and SARCC from, say, a panel of two—you pick the one you want. Then, the members of SARCC and the SAJC who were seeking support from the industry groups would have taken more care and time to consider how those member organisations felt about the direction in which the corporate body might be heading. But the present provisions do not allow them that much leverage and power to compel the SAJC and SARCC to listen to what those groups want, need and should have as part of the overall industry. In return, there is greater power on the part of the SAJC and SARCC to exclude whomever it may be who is nominated to come from that group. So, that is an imbalance of power.

Before dinner, I was heartened to learn from the minister that, in the industry group, whereas the original constitution contained a representative of Magic Millions Sales Pty Ltd and the TAB, they have been removed because they are purely commercial interests and not really involved in making the industry tick from the grass roots to the point at which the product is delivered to the public for them to get their income. As I understand it, Magic Millions was not interested in participating in that group—the TAB may have been, I do not know—but the other five groups were interested in participating and were collectively opposed to the motion of having those other two involved.

Under the board's constitution, clause 12.1(c)(i) provides that SAJC and SARCC shall jointly appoint two other persons, that one of the persons jointly appointed shall be nominated from the industry groups, that the industry groups shall nominate three persons for this purpose, none of whom may be a trainer, jockey, bookmaker, or associated with Magic Millions Sales or the TAB (which have been deleted), and that the SAJC will appoint one of those nominations from the industry groups. Why did not the constitution, as I proposed earlier, contain a provision which would enable the industry group to examine a panel of at least two or possibly three from each of SARCC and the SAJC and delete one of the people whom they were each to appoint from the panel of the other? That is, the SAJC has the power of veto over SARCC's nominees and SARCC has the power of veto over SAJC nominees.

That would have been a fairer part in the constitution in the opinion of most of the people in the industry to whom I have spoken. Because the contribution of the punters—the people who lay the bets—from the new TAB is unknown, and because the provincial and country clubs such as and Mount Gambier (and I do not mean to embarrass the member for Gordon), Port Lincoln and Murray Bridge feel either strongly opposed or very uncomfortable with the situation, and because the chair at Globe Derby Park, Peter Marshall, wants to see the matter deferred, that is the way in which I shall be voting.

I find that the trots in general in Strathalbyn, for instance (part of my electorate), are in support and I guess that is because the member from the Strathalbyn club has had some involvement in the negotiations up to the present time. He is clear in his mind that things are going in the right direction as far as he can see, but he has not conveyed a clear understanding in the minds of other members there—there has not been time for him to establish it.

The other couple of things to which I wish to refer relate to the calculations. I will disabuse the member for Hart that the $18 million proposed to be made as one payment, in the event that this measure passes and the corporatisation proceeds, will be reduced by $6 million because that is the collective debt of the three codes; so, there is only about $12 million left. That will leave, if you work it out on the basis of the formula, 71 per cent for galloping, and you have only $8.5 million on hand to fix up, for instance, Morphettville to make it useable and safe in almost all weather conditions. That is estimated to cost between $8 million and $10 million or more. No-one has invited me to Morphettville to look at it and I have not had time to go down there; I will not do a quantity surveyor's assessment off my own bat, but conventional wisdom tells me that it will cost $8 million to $10 million. So, the galloping codes will not have anything

left at all to put towards anything other than the mess there is at Morphettville.

That same mess arises there as it does elsewhere, because over the past five years virtually no money has been spent on the galloping codes around the state in the maintenance of the tracks and facilities. We have seen the public outcry there has been over the poor state of the grandstand in Victoria Park. There will not be any change if they address matters of very high priority on their lists. I know that is what motivated the former minister, the member for Bragg, to try to do something about it, but I am not sure that the member for Bragg at the time got it right. It did not turn around the fortunes of the industry. As it stands now, country clubs and the provincial clubs are thinking that from the $18 million there will be some money to make up for the past five years of inadequate or zero funding for the essential maintenance. I have news for them: I cannot see how that can happen. We simply cannot afford to allow Morphettville to go on unfixed and we therefore have to provide to them all the leftover funds that will go to galloping. That is part of what I mean by 'adequate consultation'. The industry needs to know that it will not get anything at the end of the day across the board—there will be nothing left.

The unclaimed dividend, plus the 1.2 per cent levy on the TAB turnover—and that was about $4.2 million per annum—used to go to the Racing Development Board, but that has not happened: $1 million of it used to go to stakemoney and $3.2 million over the past four years or so ($12.8 million) should have been sunk into repairs and maintenance, which has not occurred, and the $18 million will not make up for it. Altogether, if my remarks mean nothing other than that the House understands the ignorance at the level of club committees and the complete ignorance at the level of the membership throughout the state of what the consequences of the proposed corporatisation will mean, then I have achieved my purpose. They should know what they are buying before they attempt to sign off on it and I believe they are entitled to know that. I do not know whether the minister realises the level of ignorance abroad among the people who are members of the clubs throughout the state. There are other things I could have said, but time defeats me in that regard and I will satisfy myself with that contribution. I am quite happy to hear from anybody else on this matter.

Time expired.

The Hon. M.D. RANN (Leader of the Opposition): I was very keen to speak on this bill following the excellent contribution by the shadow minister, the member for Lee, on a very important issue for the future of the racing industry in this state. Whilst the member for Lee has in a most articulate way explained Labor's concerns about not only this bill but also the directions of the government's policies with regard to racing, it is important to explain my own personal interest in the issue as well as my own personal views. Members might be surprised to know that one of the first jobs I had for five years while at university was working at Ellerslie racecourse in Auckland, the home of the Auckland Cup. The first time I went to the races here in South Australia was in the company of the father of the member for Lee, who explained to me the extraordinary eccentricities and colour of the racing industry in Australia.

It is important to realise that the racing industry is a major industry in this state. What we heard today from the former minister was the diminishing and disparagement of key players in this industry. If that is this government's view of those people it disparages, the people who built the industry over generations, no wonder we are in the shambles we are in today. Over the past seven years under successive ministers we have seen a government policy that has been driven by mates, backroom deals, doing favours and looking after friends, instead of a coordinated consistent strategy, underpinned by vision for the industry to make it again to have the preeminence that it had some years ago in South Australia. We have seen the continuing decline of the industry in this state. We have seen a government that has put the 'SP' into government ethics in relation to the industry. We have had seven years of broken proposals, backroom deals and favours to mates. We have seen a lack of fairness, and that is why so many people in the industry are concerned about what is happening now.

It makes absolutely no sense to proceed with this corporatisation bill ahead of consideration by this parliament of major legislation designed to privatise the TAB. What we are seeing—and that is why there is such anger in the racing community and industry—is a government that has failed to properly negotiate and consult with the key stakeholders in this industry. Of course, we have seen RIDA defended today by the former minister, when everyone in the industry knows that it has been an abject failure—wasting millions of dollars, presiding over the further decline in morale of this industry. Now the government wants to go ahead and corporatise in advance of consideration by this House of the privatisation of the TAB. None of us knows what will be the shake-out of consideration by this parliament of that bill. So it makes absolutely no sense to move forwards going backwards because that is what the government is doing today.

I am concerned, as I know the member for Lee is, about the lack of consultation. Labor has consulted. Labor has been out there listening to people in the industry and attending meetings for many months. The member for Lee took me and the Deputy Leader of the Opposition to the Gawler racecourse to attend the Anzac Day Handicap, and time and again we were told by punters, the people who underpin the industry, how vulnerable country racing feels under this minister and the contempt in which they are held and with which they are treated.

Over the past four or five weeks there has been a massive effort by the shadow minister to consult widely, not just with the big end of town but with the punters, the trainers and those who are out there in the industry trying to make a crust under the worst possible situation. He has spoken to people from the thoroughbred industry, the harness industry and the greyhound industry, all of whom stand to see their constitutions changed. However, they know that they are being stitched up in the process. They know that this government is ultimately only about privatisation and they know, too, that this government is only about looking after its mates in the industry, rather than looking for the whole of the industry to do better and to prosper.

The former minister lost his position as Deputy Premier and Minister for Racing and Tourism because of his conduct in this portfolio. Here we had a Deputy Premier who was forced to step down from his position because what was uncovered was what we suspected—and we were able to prove it in this parliament. So, after years of concerns being expressed to us, we were able to prove it on the floor of this parliament and prove to his own colleagues and peers that it was time for him to go—that enough was enough.

I think it is very important on this day when we are considering this bill to actually take the extraordinary step of

a bit of commonsense in terms of bipartisanship. We are in a situation where we have a key amendment to move, and here is a test for the government to put this on hold. That is what we are asking; we are asking for the government basically to take a breather. We are asking the government to pause and to allow for further consultation, and also to see whether or not this parliament decides to proceed with privatisation. I believe that is the appropriate course. We are basically going about this in a wrong headed way by trying to corporatise now and then work out the sums later after the industry may or may not have been privatised.

The issue about privatisation of the TAB is one of the most important issues that this parliament will have to consider in many years in relation to the racing industry. It is therefore absolutely important that we put this bill on hold until after consideration of that legislation. My appeal to the minister, instead of his treating the industry with such arrogance, is for him to go out there and consult and listen—not insult those who have built the industry over so many years but actually to listen to what he is being told; he should talk not to his mates and the small coterie who have been favoured by this government during the past 7½ years but to those people to whom this industry and this code is so important. This is too important a matter for us to consider at this time before the privatisation debate begins.

Mr McEWEN (Gordon): In speaking in support of this bill, I must say that a great deal of what the member for Lee has said on the record here tonight is a true reflection of a sad history. What is more, when the member for Lee showed some leadership in terms of attempting to resolve some of these issues, particularly in the thoroughbred industry, I supported what he was doing. At that time the member for Lee went beyond criticising what had happened and showed leadership in terms of some solutions.

I do not think that what is in front of us is all that dissimilar from what the member for Lee started and, in effect, to some degree it is a compliment to his initiative in that a similar structure has now been adopted for both harness racing and greyhounds.

The one thing about the debate this evening which has confused me somewhat is that we seem to have spent as much time debating the merits of the sale of the TAB as we have the merits of reorganising the way in which racing is managed in this state. Some people would argue that it is chicken and egg and that there are some linkages, but during the minister's second reading speech, he said:

> Members would be aware that the government has announced its intention to pursue the disposal of its interest in the Totalizator Agency Board (TAB) and is in discussions with the racing industry with a view to formalising the arrangements between the codes and the TAB prior to its disposal.

The next passage is important:

> Until such time as the parties otherwise agree, the financial provisions of the Racing Act related to distributions to the codes will remain intact.

In other words, until this place agrees to some changes, the arrangements that exist will remain in tact. The racing industry is very happy about that. The three areas that I represent are all confident that this bill is a move in the right direction. I have discussed it with the greyhound people, and Connie Miller has said to me that the bill is a move in the right direction; Trevor Little and Graham Savage from the thoroughbreds have told me the same thing. In fact, I have spoken to Graham Savage in the past few minutes because, although the member for Hammond truly reflected the views of Graham Savage and the Mount Gambier Racing Club, when talking about the TAB sale, he lumbered it altogether. In that regard the member for Hammond was not truly reflecting the views of the President of the Mount Gambier Racing Club. He and other spokespersons from the committee have told me that they support this move at this time, as have Jim May and Graham Shepherd from harness racing.

The three codes are saying to me, 'Yes, we heard what the member for Lee was saying earlier, particularly in relation to the thoroughbreds. We believe all those statements that RIDA has failed the industry and that the industry is looking for more autonomy and more democracy. This is a move in the right direction.' Bear in mind that this is only the beginning in terms of the codes taking over responsibilities for their own destiny. Within their own constitutions, once they have a board in place, the power to alter that board and change that membership is in their hands and no-one else's. It is not only a good stepping-off point: it is also a good tool in terms of the three codes taking responsibility for their own future and their own destiny. That is what the three local clubs have told me; that is what they have said is the best thing about this: it could have been done differently and nothing is perfect, but we are keeping the buffaloes heading west. It is going in the right direction and they support that.

But the issue of the sale of the TAB is a very different one. In reflecting tonight the views of the three clubs in my area in relation to this bill, I need to say also that there are major concerns at this stage about the sale of the TAB. It is a separate issue, and we will deal with it separately. I have not yet had the luxury of receiving a detailed briefing from the minister on that matter, but certainly at that time (and I would prefer to discuss the issues with the minister before I put them on the record) I will be expressing a view on two fronts: first, that there are some concerns; and, secondly, we need more time. I do not think that there is any need now to rush into the TAB sale. It is very important to get that right because that underpins financial viability. It provides the dollars and cents for the new controlling authorities to take their industries in the direction they wish.

I have the undertaking on record that nothing is at risk in the meantime. As I said earlier, the minister's second reading explanation makes it quite clear that nothing will change until this House gives authority to change. Keeping in mind that we will no longer need the RIDA fund, that money will track back into the three codes and, if anything, they will be better off in the interim than they were. Again, I compliment the minister's putting on the record that, in the interim, that is how he intends to treat the distribution of those funds.

In supporting this bill I am attempting to sort out two issues and deal with them separately. In not supporting the amendment of the shadow minister, the member for Lee, I am saying to him that the people in the industry are telling me that they do not necessarily feel that delaying this bill is required at this time in respect of awaiting the outcome of the TAB sale bill. People in the industry are saying to me, 'Get on with it. It is heading in the right direction. It is not dissimilar to an initiative of the member for Lee in his own right.' That is a compliment to the honourable member. We all agree about the failure of RIDA and we all agree about greater autonomy and democracy. All of that is in place. We might have done it a little differently but it is good enough to start with. I support the bill. I do not support the amendment and, certainly, at this stage, I do not put on the record support for the TAB sale.

Ms HURLEY (Deputy Leader of the Opposition): I was most interested to hear the member for Gordon describe support for this bill from the racing codes in his area because that has certainly not been my experience in my electorate and surrounding areas. The member for Gordon referred to a push for greater democracy in the industry. That is precisely why people in my electorate and in the neighbouring electorate of Light are opposed to the minister's actions: they feel that they have not been consulted properly about this issue. It is all very well for the member for Bragg to sneer at people who have not been elected to the various committees and who have tried to get elected many times, but the people who have not been elected to those committees are still part of whatever new system prevails. Their enthusiasm and energy is still required to make the racing industry work in South Australia and, at this stage, people around the Gawler area do not have that enthusiasm and energy.

I saw some of that enthusiasm and energy at the Gawler race meeting on Anzac Day—the first such meeting. I attended that meeting with the shadow minister and the leader. Since that meeting I have been back to visit the Gawler racetrack. That club is extremely concerned about its future viability solely in respect of government and industry attitude. It is not concerned about its own viability in terms of its ability to attract sponsorship and custom from the Gawler and Barossa areas. That club is worried about being undermined by others in the racing industry and by the government.

It is a very sad state of affairs when the government regards the people involved with country racetracks as so insignificant that it will not take their views into account and that it will not spend the time to talk to the people who volunteer their time to provide racing venues in country areas. A great many people in my electorate and in the electorate of Light are involved in the racing industry—trainers, strappers and people who just enjoy going to the races. I can tell the member for Gordon that they feel extremely disenfranchised by this process. I believe that those people have every right to feel that way. The government has shown an extreme lack of interest in the racing industry and it seems to be seeking to wash its hands of it.

The Hon. I.F. EVANS (Minister for Recreation, Sport and Racing): I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

The Hon. I.F. EVANS (Minister for Recreation, Sport and Racing): I will not delay the House. There has been a wide-ranging debate, some of it even relevant to the bill before us, over the past four or five hours. I will not be able to summarise five hours of public speaking in 20 minutes; however, I want to touch on a few points. The member for Gordon summed up why I am against the amendment moved by the member for Lee. The member for Lee seeks to indefinitely defer this debate until the TAB is sold. I oppose the amendment simply because the government has always argued that the future management structure of the racing industry and the future ownership of the TAB are different issues.

If the TAB were not being sold, the question would be asked: what is the best management structure for the racing industry? The government and I would argue that the best structure for the management of the racing industry is a management outside of government. Anyone who listened to the member for Lee's contribution (the full three hours of it) would have been convinced of one thing: the quicker racing is managed outside of politics the better off it will be. The member for Lee's contribution, while entertaining and no doubt passionate, illustrated one thing to me: that the sooner the control of the racing industry is outside the claws of the politicians who seek to control it—and I am not one—the better.

I believe that the racing industry is old enough, big enough and mature enough to manage itself, and I know that the member for Lee shares that view. The member for Lee, the government spokesman on this matter, is recorded in *Hansard* as saying that exact thing. Some time ago when the honourable member introduced his bill as the shadow spokesman to reform the thoroughbred authority he argued exactly the same case as I am arguing. The member argued—

Mr Wright interjecting:

The Hon. I.F. EVANS: In fact, I did agree with the principle of the bill. The member for Lee should read the *Hansard*. I did agree with the principle of the bill and the reason we defeated it at that stage, as the honourable member well knows (and it appears in the *Hansard*), is that negotiations were ongoing with the racing industry about reforming the whole structure of the industry, not one part of it. The member for Lee stated:

> This is the first ever reforming structure of the industry ensuring that racing will be able to administer itself in the future.

The honourable member also stated:

> . . . getting the government out of the racing administration and recognising that the industry can manage itself.

The member for Lee further stated:

> . . . with a view to Labor's recognising that the industry can best manage itself.

They are all quotes from the member for Lee—all agreeing with the government's view that the best organisation to manage the industry is not government but the racing industry itself. Thus, the opposition said to the industry, remembering that those quotes were made within the past 12 months, 'You should be managing yourself.' The opposition did not move to amend the act then to provide self-management: it left three or four authorities in place. It did not touch the harness authority or the greyhound authority: it simply touched the thoroughbred authority. We are simply saying that the racing industry should manage itself regardless of who owns the TAB. They are totally distinct and separate issues, because if the TAB remains in public ownership the question must be asked: what is—

Mrs Geraghty interjecting:

The Hon. I.F. EVANS: I note that the member for Torrens says that it should. One assumes then that the Labor Party is voting against the legislation because the member for Torrens is on record now as saying that it should stay in public ownership. One assumes that the Labor Party will oppose the sale of the TAB or the member for Torrens is changing her view in the next couple of weeks. We will watch the member for Torrens with some interest, because she is now on record as saying that she is opposed to the sale of the TAB. The government's argument is clear: they are two distinct issues. We believe that the racing industry should manage itself, and, the sooner it can do that, the sooner I think it will receive some advantages. If the bill goes through this chamber and the other chamber in the remaining sitting times, we see absolutely no reason why the industry could not

be in charge of itself by 1 October. The only people who are denying them that—at this stage, at least—would be members of the Labor Party. If the Labor Party agrees with us, there is no reason why it cannot go through both Houses, and let the industry get the management about which the member for Lee spoke so passionately 12 or so months ago.

I also want to touch on a few of the points raised by members in relation to the country clubs. The country thoroughbred clubs, through their committee, SARCC, have written to us saying that they support this bill.

Ms Hurley interjecting:

The Hon. I.F. EVANS: They have certainly gone through a process within their own membership. The South Australian Racing Clubs Council has written to us saying that it agrees, as do country harness clubs, and the SAJC also indicates that it agrees. This measure has been through a wide consultation process—

Members interjecting:

The SPEAKER: Order! The member for Lee was heard in silence.

Mr Wright: Don't bet on that!

The SPEAKER: Order! Having sat here, I can assure the member that by and large he was heard in silence.

The Hon. I.F. EVANS: So, there has been a consultation process. I pick up the point made by the member for Gordon concerning the rules. The rules are a stepping off point. Just as other corporations change their rules from time to time, if the industry wants to change its rules from time to time down the track, it will do that under its own processes and as the industry develops under the corporations. So, the rules are not before us in debate in the legislation. They are rules that, quite rightly, should be left to the corporations to administer when the corporations are set up. I do not want to touch on too much more. I could go through a lot of the member Lee's speech, but I see little point in revisiting much of it.

However, I was disappointed with the shadow treasurer's remarks about the racing industry. If it ever achieves government, I hope that the opposition will reflect on the shadow treasurer's remarks about the racing industry. When the government came out and announced its deal with the racing industry on the TAB sale—and I make this point only because it was raised in debate; frankly, they are two different issues—the shadow treasurer said that it was a good deal. The shadow treasurer is on record as saying that it is a generous deal, it is a good deal, for the racing industry. However, he says it is dangerous policy making to give the racing industry $18.25 million. This is the shadow treasurer—the person with whom the racing industry will be negotiating under a Labor government in relation to funding for that industry. He is on record as saying—this is his message to the racing industry: 'I could not think of another group I would be more nervous about giving a no-strings attached $18.5 million to spend as you will.' That is the shadow treasurer on 22 June this year.

An honourable member interjecting:

The Hon. I.F. EVANS: During estimates, that's right; when the deal was announced. Your shadow treasurer thinks that the deal we have done—$41 million per annum, three years CPI index, etc., $18.25 million up front—is a dangerous deal. It is not the government that thinks that. The opposition thinks it is a dangerous deal. If the shadow treasurer ever gets to be in government and happens to be treasurer, his philosophy will be, 'I could not think of another group I would be more nervous about giving a no-strings attached $18.25 million deal to.' That is the philosophy of the person with whom the racing industry will be negotiating. The policies between government and opposition are clearly money.

Mr Foley interjecting:

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

Mr Foley interjecting:

The SPEAKER: Order! I have not called you to order for the good of my health.

The Hon. I.F. EVANS: I have nothing more to add. I am opposed to the amendment. The time to debate the bill is now. There seems no need to defer the debate at all. I look forward to the committee stage.

The House divided on the motion:

AYES (21)

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

NOES (23)

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

PAIR(S)

Geraghty, R. K.	Wotton, D. C.

Majority of 2 for the Noes.

Motion thus negatived.

The House divided on the second reading:

AYES (24)

Armitage, M. H.	Brindal, M. K.
Brokenshire, R. L.	Brown, D. C.
Buckby, M. R.	Condous, S. G.
Evans, I. F. (teller)	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.	Maywald, K. A.
McEwen, R. J.	Meier, E. J.
Olsen, J. W.	Penfold, E. M.
Scalzi, G. t.)	Such, R. B.
Venning, I. H.	Williams, M. R.

NOES (20)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Ciccarello, V.
Clarke, R. D.	Conlon, P. F.
De Laine, M. R.	Foley, K. O.
Hanna, K.	Hill, J. D.
Hurley, A. K.	Key, S. W.
Koutsantonis, T.	Rankine, J. M.

NOES (cont.)

Rann, M. D.	Snelling, J. J.
Stevens, L.	Thompson, M. G.
White, P. L.	Wright, M. J.(teller)

PAIR(S)

Wotton, D. C.	Geraghty, R. K.

Majority of 4 for the Ayes.

Second reading thus carried.

In committee.

Clauses 1 to 4 passed.

Clause 5.

Mr WRIGHT: As I understand it, the three codes are to form a common tribunal under this corporatisation model, and that would be a new system. Can the minister provide some additional information about that matter?

The Hon. I.F. EVANS: The Racing Appeals Tribunal would be transferred to the corporate entities, and the three corporate entities in their own rules will have the rules that establish the Racing Appeals Tribunal. There have been discussions amongst the codes as to whether they have one joint tribunal or separate tribunals. My understanding of the initial discussions is that they prefer a joint tribunal for cost and efficiency reasons. My understanding is that they are picking up similar wording to that which already exists in the act to transfer it across to the corporate rules.

Mr WRIGHT: Does the new tribunal have the same powers as the old tribunal?

The Hon. I.F. EVANS: My understanding is that it does, because they are going to reflect the same rules about the operations of the tribunal and powers in the corporate rules of the entities.

Mr WRIGHT: Can the minister provide some information in respect of the fees, salaries and administration of this tribunal and indicate what the independence of the tribunal will be?

The Hon. I.F. EVANS: By transferring it to the corporations, they set all the fees and the fee structure of the tribunal. With respect to the second part of the question, my understanding is that the industry wishes to reflect the independence that it currently enjoys and simply transfer the rules that occur in the act through to the corporation.

Mr WRIGHT: I have some other questions with respect to clause 5.

The ACTING CHAIRMAN (Mr Venning): You are only allowed to ask three questions.

Mr WRIGHT: This relates to part 2.

The ACTING CHAIRMAN: It is all part of clause 5. So, the member has had his three questions.

Mr WRIGHT: Can I ask a supplementary question?

The ACTING CHAIRMAN: No. This is not estimates. No supplementary questions are allowed.

Ms KEY: How will the controlling authorities work?

The Hon. I.F. EVANS: The controlling authorities will be established through constitutions, through the various pieces of corporate legislation. They will be not for profit companies limited by guarantee. The rules have been negotiated through the industry over the last 12 months. When those rules in their final form are registered with the appropriate government department, the not for profit company is then formed and the boards are appointed as a result of that; then, like any other not for profit company, they run themselves.

Clause passed.

Clause 6 passed.

Clause 7.

Mr WRIGHT: As a point of clarification, am I right in suggesting that section 63(7) of the act is struck out and exactly the same subsection is put back into the act? For example—

The Hon. I.F. Evans: Can the member clarify that, please?

Mr WRIGHT: I am looking at page 6, new subsection (7), which provides:

> Where a racing club is unable to hold a race meeting. . .

and so on.

The Hon. I.F. EVANS: If the member reads the existing subsection (7) very carefully, he will see that it provides:

> Where a racing club is unable to hold a race meeting in accordance with the program published by RIDA because of unforeseen circumstances it may, with the approval of RIDA, conduct on course. . .

Because RIDA will not exist, we have simply reflected that in the bill. So, as the member points out, the wording is very similar but, obviously, as RIDA does not exist, there is no need to obtain its approval.

Mr HANNA: Again, under this clause the controlling authorities replace RIDA. Is it true that the controlling authorities can take any form which the government of the day deems fit, and that, as the minister indicated earlier, it does not need to be a company but could be any kind of an association or organisation?

The Hon. I.F. EVANS: That question does not relate to this clause. RIDA is not mentioned in the new clause and RIDA is not replaced by the controlling authority in the new clause, but I will answer the question. The bill gives the minister power to recognise controlling authorities. We think that a not for profit company limited by guarantee gives the industry the most protection, given the structure of the industry, but at the end of the day it is for the minister to recognise the controlling authorities.

Mr HANNA: My query cuts across several clauses. If certain controlling authorities are set up by this government pursuant to this bill, is it not the case that any future government, if this bill passes, can, by proclamation, dissolve whatever controlling authorities this government causes to be proclaimed and set up another?

The Hon. I.F. EVANS: If a future government wishes to nominate a different form of controlling authority, it can do so. It is clear from the second reading debate tonight that the minister would need to go through extensive consultation with the industry, and that would obviously be a very public process.

Clause passed.

Clauses 8 to 10 passed.

Clause 11.

Mr WRIGHT: Once again, this question is of a technical nature and there may be a simple explanation. Clause 11 seems to go from 'firstly' to 'thirdly'.

The Hon. I.F. EVANS: The member for Lee may recall that during the last week of sitting we debated a GST bill relating to gambling and racing. Given the opposition's support for that GST amendment, this bill reflects that measure, and this matter is picked up in that context.

Clause passed.

Clauses 12 to 16 passed.

Clause 17.

Mr WRIGHT: This clause amends section 78(3) of the act. Why are off-course unclaimed dividends distributed in

the ratio of 50:50: that is, 50 per cent to Treasury and 50 per cent to the controlling authorities?

The Hon. I.F. EVANS: Section 78(3)(b) of the current act provides:

> The amount remaining after the payment referred to in paragraph (a) must be paid to the RIDA Fund.

As the RIDA Fund will no longer exist, it should be paid to the controlling authorities. This amendment deletes the words 'RIDA Fund' and ensures that that money is paid to the controlling authorities.

Mr WRIGHT: I asked that question, because some time ago, as I acknowledged in the House today, the government changed the ratio of TAB distribution from 50:50 to 55 per cent racing and 45 per cent Treasury. Is there a reason why we have a formula whereby for TAB profits the distribution is 55:45 but for unclaimed dividends it is 50:50?

The Hon. I.F. EVANS: I was not the minister at the time, but one would assume that the then minister made a judgment to change the more significant figure and for whatever reason decided not to change this figure. We do not intend to change it now. As the member knows, we have—

Mr Wright interjecting:

The Hon. I.F. EVANS: I do not know whether a judgment was made or the matter was simply not addressed. Throughout this bill, where we can do so, we have tried to transfer what currently exists into the new structure as simply as possible to limit the number of transitional issues and any chance of confusion within the industry. We have not addressed this matter for that reason.

Mr WRIGHT: I just wondered whether there was a particular reason why that stayed as it was or whether it was an anomaly at the time. My third question relates to section 78(3)(a). Why do 100 per cent of on-course unclaimed dividends go to Treasury?

The Hon. I.F. EVANS: The same principle applies. We do not intend to change that in this bill. Under this amendment, the amount remaining after the payment which used to go to the RIDA Fund will now go to the controlling authority. This is simply a policy decision of government which has not been looked at again, and that is what will happen to that money.

Clause passed.

Clauses 18 to 22 passed.

Clause 23.

Mr WRIGHT: Under this bill, the gambling component will go to the Gaming Supervisory Authority and/or the Liquor Licensing Commission. How will that operate?

The Hon. I.F. EVANS: The Gaming Supervisory Authority takes over the current licensing regime, and the day-to-day operation or auditing of that is handled by the commissioner.

Mr WRIGHT: As a result of this bill, we will have a minister for racing, a minister for the TAB, a different minister responsible for the Liquor Licensing Commission, and another minister responsible for the Gaming Supervisory Authority. The components of racing will have four different ministers. Is that correct?

The Hon. I.F. EVANS: That depends on the government of the day and to which ministers the acts are allocated. After each election when the government is formed and departmental structures are put into place, one of the procedural matters which the cabinet has to address is the allocation of acts or certain parts of acts. In his second reading contribution the honourable member made the point that the Minister for Government Enterprises was responsible for certain parts of this act, that is, the TAB, and I am responsible for others. So in theory, if it stayed, it may happen that way, but it could easily happen that there would be a lesser number of ministers, depending on how the government of the day wished to structure itself.

Mr WRIGHT: But it would be correct to say that the way portfolios sit at the moment four different ministers would have some part to play in racing? Is that correct or incorrect? If that is correct, how would it work if we did not split the gambling side of it so that it went into two different areas? Would it be better if the gambling areas were under the one organisation? I do not know whether it should be the Gaming Supervisory Authority, the Liquor Licensing Commission or some other organisation—anything is possible. Would that be better from the viewpoint of the industry players who are involved in the gambling side of it? Bookmakers are a good example; they would then have to go to only one organisation rather than two organisations, as they would with the way the bill is at the moment. What are the minister's thoughts on that? Because of the way in which the ministry is shaped at the moment four ministers will be involved in racing.

The Hon. I.F. EVANS: That point was considered. The advice to me was that the Productivity Commission that looked at gaming suggested that it is better to separate the licensing from the enforcement, so we have adopted that model in this sense.

Clause passed.

Clauses 24 to 33 passed.

Clause 34.

Mr HANNA: Realising that this clause reflects the wording in the Racing Act, albeit with better drafting, I wonder why there is the stipulation when a permit is granted to people in respect of a place other than a racecourse: there is the requirement that the person or body who occupies or controls that place on that day be consulted. I wonder why in the Racing Act and as retained in the government bill that is not a requirement for consent rather than mere consultation. It puzzles me.

The Hon. I.F. EVANS: To which clause is the member referring in the current Racing Act?

Mr HANNA: Section 112 is reflected in clause 34 of the bill, but I am asking why there is merely a requirement to consult people if a race is to be held on their property, rather than stipulating their consent.

The Hon. I.F. EVANS: In trying to keep the transition as simple as possible, we are not proposing any change. My understanding from the officers involved is that they do consult. As the member for Mitchell quite rightly points out, if the owners or those with whom they are consulting—the person or body that occupies the premises—says no, the procedure has been that they do not do it. They have not gone down the path that the honourable member is suggesting where, if they said no, they would still do it. The way they operate reflects the intent of the member's question. I do not know the background to that clause and why it was drafted in that way but, in trying to keep the transition as simple as possible, we have not addressed that issue.

Mr HANNA: If the minister is saying that in this clause, as with section 112 of the Racing Act, the word 'consulted' is read as 'consented', why not say so? Surely the minister has attempted to gain some understanding of the rationale behind some of these clauses, rather than telling us that it is merely a copy of what is in the current legislation, without any greater understanding.

The Hon. I.F. EVANS: I have received no representation or complaints about that clause during my time as minister. It is not central to the core debate about who should manage the racing industry so, given that no-one has raised it with me in all the meetings and public forums I have had over the past 18 months (as well as the working groups with the industry and the letters I have received), my understanding is that that clause is working well or not creating an issue. The government has therefore chosen not to address it at this time.

Mr HANNA: My only point is that what the minister says it means is not literally what it says. No responsible government brings a draft clause into this place with that attitude.

Mr WRIGHT: I am not too sure whether there has been a problem with the drafting, but new subsection (2a)(a) in clause 34 provides:

(2a) The Commissioner must not grant a permit under this section in respect of betting on a day and at a place (not being a racecourse or registered premises) unless—

(a) the minister has approved the granting of the permit;

I am not sure why we would need a minister to approve the granting of a permit.

The Hon. I.F. EVANS: This is simply a provision which may be tidied up as part of the whole TAB debate. We are treating them as separate debates, but this could be picked up as part of that TAB debate. It simply gives the minister the opportunity to grant a permit where you might have a football club that wants to hold a Melbourne Cup luncheon. It is not a racecourse or necessarily a registered premises, but they may want to get a bookmaker on site, and this would provide an opportunity for the minister to provide a licence in that respect.

Mr WRIGHT: I am a bit surprised that the minister, whether it be you or any other minister, would want to be involved in this process. We are going down a path with a bill to take the government out of racing except for the gambling component, the Liquor Licensing Commissioner and/or the Gaming Supervisory Authority. I would have thought that the commissioner could have and would have done this. I am a bit surprised that the minister would want to be involved in the granting of the permit. I would have thought it would have been perhaps smoother if that was with the commissioner.

The Hon. I.F. EVANS: That is certainly an argument. Some country members who do not have access to some of the wagering opportunities of the city wanted the opportunity to have this service at a special function such as Melbourne Cup Day, or whatever the special occasion may be. Initially, the view was that it would best rest with the minister. As the new process takes over and finds its feet down the track, it could be revisited or it may be picked up as part of the TAB debate. This was drafted on the basis it was a separate argument to the TAB debate. This simply provides a very narrow role for the minister in the whole exercise to provide an opportunity for some country sporting clubs to get a service they may not be getting at the moment.

Clause passed.

Clauses 35 to 44 passed.

Clause 45.

Mr WRIGHT: As I understand it, this is enabling supervision of the tote and the bookmakers. How many inspectors do you envisage being appointed for this particular role?

The Hon. I.F. EVANS: It would be the same number as there is now. The current staff in RIDA that performs that role would be transferred as part of the transitional provisions.

Mr WRIGHT: I would like a number, if that is possible; if not, perhaps you could give it to me later. I would also be interested in the cost and how this compares with the existing enforcement regime carried out by RIDA. As you have explained it to me, the people in RIDA will move across. I would be interested to know how many people that involves; whether this will change the cost structure; how its role will compare; and how will it affect the way in which those people operate within RIDA. By moving over into the other area, will their role change and, if so, in what ways will it change?

The Hon. I.F. EVANS: My advice is that there are six full-time equivalents. I do not have the exact cost for the honourable member, but he can work out a rough figure. There are some casuals in the country who are not full-time. The principle is that they will be transferred through to the commissioner or the authority and perform essentially the same role as they are now. We do not see it as a huge cost increase, if any, to the industry.

Mr HANNA: In relation to subclause (7), I am a little surprised at the exemption from producing books and papers, etc. where they might be incriminating. In other words, if there is something dodgy about a bookmaker and the inspector, quite rightly, goes to look at the books, if the bookmaker thinks, 'I might get done for something if I show them the books,' then the bookmaker does not have to show the books. That does not seem to me to be a very good means of law enforcement. Can the minister explain that situation?

The Hon. I.F. EVANS: My advice is that the clause is written in that way to give some consistency to the staff that is being transferred across with the staff currently employed with the commissioner so that there is consistency in their powers. When the people go across there is thus consistency within the commissioner's office. I understand that is why it was drafted in that way.

Mr HANNA: Again, the minister seems to be abrogating responsibility in managing this bill by saying, 'We are simply copying a whole range of functions and powers that were previously exercised and giving them to some other controlling authority,' which at the moment is just a twinkling in the minister's eye. I am suggesting that is not good enough. If the minister is going to put in a clause which on the face of it is going to be a major obstacle to the proper inspection and scrutiny of the industry, then the minister should be able to justify that—and I ask him to do so. Otherwise, subject to the Labor Party's view, there would be grounds for opposing this clause.

The Hon. I.F. EVANS: I understand the point that the member makes. I cannot add a lot to the previous answer. We have tried to make the powers consistent. The officers advise me that there has been criticism that the powers which currently exist are too wide-ranging. In transferring those powers across we have tried to look at the commissioner's powers which already exist, looked at what powers those officers have in respect to these types of issues and tried to adopt a consistent approach. We thought that was a reasonable stance to take if they were going to a similar office: they should have some consistency or approximately the same powers.

Mr HANNA: I make the point that if there is, for example, a dodgy bookmaker out there, then it is in the interests of all bookmakers and the whole industry for such people to be scrutinised, exposed and punished, if appropri-

ate. When inspectors are given the job of going out and asking the bookies to produce their sheets and their numbers, if you have bookies saying, 'I'm sorry; I am relying on this clause of this bill that has come through from the government and I am not going to show you my books. I do not have to. I have had legal advice and I am not going to,' it seems to me it is not a reasonable stance (to quote the minister): it is an abrogation of responsibility if the government, and the minister in particular, brings legislation into this place knowing that there is a question mark about it (which the minister has admitted) yet doing nothing about it. Can the minister give me an assurance that he will reconsider whether this clause might be omitted? Is it not the case that, even without that clause, there will be common law rights to not answering self-incriminating questions, and legal/professional privilege will also apply at common law regardless of whether or not it is in this clause?

The Hon. I.F. EVANS: The last point the honourable member makes almost defeats his previous two questions. As the bill quite rightly indicates, you would not want someone to provide something that breaches legal privilege. My advice is that this is similar to the powers that exist in relation to the gaming machine industry. We have adopted a similar principle in that industry, which involves similar probity issues to which the honourable member refers. Clause 12(d) talks about the power to inspect books, papers, documents, etc. There is that general power for the inspectors. We have tried to get some consistency across the different areas involving inspectors because, as the honourable member is aware, industries hate different methods of operation. We have tried to bring some consistency to that area.

Clause passed.

Clause 46.

Mr HANNA: In relation to proposed new section 146A(1), which functions does the minister foresee might be delegated and to which people or classes of people might such functions be delegated?

The Hon. I.F. EVANS: I am not quite sure how to answer that question. Ultimately, it is for the minister of the day to make some judgment. Ministers have powers under the act. This is a standard delegation clause, which simply states that the delegation needs to be in writing and that the delegation needs to be to a particular person or body. The clause indicates how the instrument of delegation is to be set out. It is just a standard delegation clause. I do not quite understand where the honourable member is going with the question.

Mr HANNA: Has not the minister thought about how that clause might be used? Are there any limits in the way in which the minister foresees the clause operating?

The Hon. I.F. EVANS: The clause does not set out any restrictions in relation to the delegation, apart from the fact that it needs to be in writing to a particular person and it can be subject to conditions. The minister can set whatever conditions apply now. Delegations are made by ministers under similar clauses every day of the week.

Clause passed.

Clauses 47 to 51 passed.

Clause 52.

Mr WRIGHT: If the minister is happy, I can probably cover clauses 52(5) and 53(5) at the same time. Clause 52(5) provides:

> A person employed by the South Australian Harness Racing Authority immediately before the commencement of this section becomes an employee of the designated controlling authority for harness racing—

and these are the key words about which I want some clarification—

> without reduction in salary or status and without loss of accrued or accruing leave entitlements.

Clause 53(5) is exactly the same but relates to the greyhound racing code. The clause may be deficient in prescribing an employee's entitlements which are to be maintained. It could be argued that prescribing 'without reduction in salary or status and without loss of accrued or accruing leave entitlements' may lead to other persons (not the minister, but someone else at some later date) interpreting the act to mean that the transitional provisions relate only to the terms and conditions of employment prescribed in the act and, as such, exclude all rights to current enterprise agreements and industrial awards or any other process commenced in the variation of those rights and any other employment contracts or benefits that staff may currently receive. Will the minister give the committee an assurance about the arrangements for employees with regard to entitlements in those various areas?

The Hon. I.F. EVANS: We have had discussions with the PSA about this matter. I have been advised that a signed enterprise agreement certified or approved falls within the definition of an instrument. Clauses 52(2) and 53(2) provide that 'a reference in an instrument or document to the South Australian Harness/Greyhound Racing Authority is (where the context admits) to be read as a reference to the body (that is the controlling authority) for harness/greyhound racing'. Given this, the SAHRA and SAGRA enterprise agreements will continue to apply to the new corporate entities controlling harness and greyhound racing. Furthermore, the relevant awards are listed in the SAHRA and SAGRA enterprise agreements.

Mr HANNA: My point ties these clauses, that is, the clauses to which the member for Lee referred, with clause 5 of the bill which, if I am correct, talks about the proclamation of controlling authorities. Protection is given for existing SAHRA, SAGRA and SATRA employees under subclause (5) of clauses 51 to 53 but only in respect of the first transfer from those organisations to the controlling authority first proclaimed. It seems to me that the only thing stopping those people from losing their entitlements, if this bill proceeds in this form, is arguably the political process.

If this bill is passed, the Governor, at the instigation of the minister, no doubt, could specify a particular controlling authority, and employees would go across with their entitlements intact. However, in three or six months' time the minister could cause another proclamation to be issued, subject to the Governor's agreeing, which would not carry the protection that is contained in those clauses to which I have referred. Does the minister acknowledge that that is a potential hazard for current employees of those three existing organisations?

The Hon. I.F. EVANS: The member is really clutching at straws on that. When the government recognises the controlling authorities on the proclamation of the bill—which I hope will be 1 October, parliament willing—they will be the controlling authorities that the government will recognise. We have negotiated with the PSA and put in place appropriate transitional arrangements. The enterprise agreements and the normal law of the land will continue to operate. We have no intention of going down the path that the honourable member has mentioned. I will bet my bottom dollar that, if the shadow minister happens to be the minister after the next election, he has no intention of doing that, either. That is simply not the

intention of this current government or, dare I say it, that of the shadow minister if he becomes minister.

Mr FOLEY: I alluded to the following in my second reading contribution earlier this evening. During the sale of the TAB, the formula has been agreed to between government and the racing codes—the $14 million guaranteed, plus the $20 million, plus a vicinity of net wage in revenue. If the companies bidding for the TAB are so few in number that they are not prepared to bid for the TAB on that agreement as they do not believe there is enough in that agreement for them, and we must therefore fund racing in a different way, how do you intend to deal with that—if those negotiations, for whatever reason, are varied in terms of their affecting the ongoing funding of racing?

The Hon. I.F. EVANS: That question is totally irrelevant to the clause. For the member for Hart's information, this clause is about the transitional arrangements. It is the last clause in the bill.

Mr Foley interjecting:

The Hon. I.F. EVANS: No, I am sorry. You need to ask your question on this clause.

Mr Foley: It is directly relevant.

The Hon. I.F. EVANS: It is not directly relevant.

Mr Foley interjecting:

The Hon. I.F. EVANS: No, I'm sorry. Your side has played some fun and games tonight, so the rules apply.

Mr Foley interjecting:

The Hon. I.F. EVANS: Yes, and that is what we are doing. The question you raise relates to ongoing financial relationship between the racing industry and the TAB, regardless of whether it is publicly or privately owned. This clause deals with the transitional provisions in relation to the staff of SARA and SAGRA, and I have answered the questions in relation to that. Your question has—

Mr Foley interjecting:

The Hon. I.F. EVANS: I am happy to answer it in the context of the appropriate clause.

Mr Foley interjecting:

The ACTING CHAIRMAN (Mr Venning): Order! The member for Hart will come to order.

The Hon. I.F. EVANS: The member for Hart has sat here for the whole debate. I have been on the floor for seven hours. The member for Hart knows the procedure. He could have asked the question at the appropriate clause all the way through.

Mr Foley interjecting:

The ACTING CHAIRMAN: Order!

Clause passed.

Clauses 53 and 54 passed.

Schedule.

Mr WRIGHT: I refer to paragraph (ba)(iii). If corporatisation goes ahead and we remove the role of government, could or would that have any effect on the public holiday for the Adelaide Cup?

The Hon. I.F. EVANS: No, this government has no agenda to take away the Adelaide Cup holiday as a result of the corporatisation bill—or any other method, for that matter. That is not related to this bill at all.

Mr WRIGHT: I did not think it would be, and I am not for a moment suggesting that it would be on the government's agenda. I am just trying to think through whether, with the government removed from racing, corporatisation could in any way impact on the public holiday for the Adelaide Cup. I am happy with the answer.

I now deal with your reference to 'minister' in paragraph (ba)(iii):

> To advise, and make recommendations to the minister on matters relating to those betting operations or on any aspect of the operation, administration or enforcement of that act.

Does that refer to Minister Lucas and the Racing Act?

The Hon. I.F. EVANS: This relates to an amendment to the Gaming Supervisory Act. Paragraph (ba) clearly relates to the Racing Act.

An honourable member interjecting:

The Hon. I.F. EVANS: Yes, the minister referred to the minister who has that section of the Gaming Supervisory Act dedicated to him.

Mr WRIGHT: Does that mean that Minister Lucas will have operation, administration and enforcement of the Racing Act?

The Hon. I.F. EVANS: No. As I mentioned earlier, the government of the day will have to dedicate the various sections of the act to the ministers about whom they make a judgment. I refer to the sections that Minister Lucas would apply here, if it happened tonight, given that he is responsible for the Gaming Supervisory Authority. Where the act mentions 'the authority' and that related to the Gaming Supervisory Authority, it would be dedicated to Minister Lucas. So, the Gaming Supervisory Act is with Minister Lucas, so that section would more than likely involve Minister Lucas.

Mr WRIGHT: I asked this question previously, and the minister did not answer it. I asked it as part of a series of questions. I am sure that he omitted it by error and not deliberately. I am correct, am I not, in saying that, when this bill goes through with the current arrangement of this government's ministerial responsibilities, four separate ministers will have responsibility in one way or another for racing—and obviously the TAB is involved in racing? We will have you as Minister for Racing; the Minister for Government Enterprises, who is responsible for the TAB; Minister Lucas, who is responsible for the Gaming Supervisory Authority; and we will have the Attorney-General responsible for the Liquor Licensing Commission. Am I right in saying that there will be four separate ministers who will have some responsibility for racing when this bill goes through?

The Hon. I.F. EVANS: As I said earlier, it is a matter for future governments to decide where they delegate the acts. On the structure that applies as of tonight, in theory that could be right.

Mr FOLEY: As the shadow Treasurer, particularly given that the schedule relates to the effective and efficient system of supervising and maintaining the operations of a kind authorised under the act in relation to the TAB and issues relating to the ongoing funding of the industry via the TAB, I believe this would be a more than appropriate clause in which to ask the question I asked earlier.

If, through the sale process of the TAB, a point is arrived at where the formula struck with the racing industry is not acceptable to potential buyers, that is, there is not enough left within that mix of funding to entice a suitable bid from a buyer, how would this affect a corporatised industry that has been corporatised based on a certain level of funding if we then find that funding is not as agreed to? What then occurs?

The Hon. I.F. EVANS: As I noted in my answers to other questions and in response to the second reading contributions by the opposition, we see the sale of the TAB as a totally separate issue. We see the corporatisation of the racing

industry as an important policy initiative, regardless of who owns the TAB. If the TAB remains in public ownership, then the financial relationship that exists between the TAB and the government would become a relationship between the racing industry and the three corporate entities. Instead of the moneys being sent to RIDA and then distributed to the various codes from there, the money would go from the TAB to the three controlling authorities.

The ACTING CHAIRMAN: Order! I believe that the question and the answer are out of order. Clause 2 provides 'other than the operations of the TAB'.

Mr FOLEY: I think it is more than in order: the minister obviously thought it was. The point clearly is that the minister has struck an agreement with the racing industry that it will agree to corporatisation and the sale of the TAB on a certain basis.

The Hon. I.F. EVANS: No, this is where the honourable member is confused. We have treated corporatisation and the sale of the TAB as two different issues. As shadow minister he would be aware that this bill was before the house on 24 May. It is now 27 June, and the announcement about the heads of agreement with the racing industry was announced in the past seven days. We have been proceeding with corporatisation regardless of the TAB debate.

We believe, as does the member for Lee, that the best people to manage racing are the racing industry. The analogy that the honourable member makes that corporatisation is based on a certain level of funding of the TAB sale is not necessarily a true analogy. We see them as two totally separate issues. We see that the best method of managing the industry for the industry long term is through corporatisation.

Schedule passed.

Title passed.

Bill read a third time and passed.

STATUTES AMENDMENT (LOTTERIES AND RACING—GST) BILL

The Legislative Council agreed to the bill without any amendment.

GAMING MACHINES (MISCELLANEOUS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

FIRST HOME OWNER GRANT BILL

The Legislative Council agreed to the bill without any amendment.

HIGHWAYS (MISCELLANEOUS) AMENDMENT BILL

Received from the Legislative Council and read a first time.

The Legislative Council drew the attention of the House of Assembly to clauses Nos 27, 28, 29 and 31, printed in erased type, which clauses, being money clauses, cannot originate in the Legislative Council but which are deemed necessary to the bill.

WATER RESOURCES (WATER ALLOCATIONS) AMENDMENT BILL

The Legislative Council agreed to the bill with the amendments indicated by the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly:

Schedule of the amendments made by the Legislative Council

No. 1. Page 3, lines 10 and 11 (clause 2)—Leave out paragraph (a) and insert paragraph as follows:

(a) in respect of a water licence means the water (taking) allocation, the water (holding) allocation or the water (forest) allocation endorsed on the licence;

No. 2. Page 3, lines 14 and 15 (clause 2)—Leave out these lines and insert the following:

(b) by inserting the following definitions after the definition of 'watercourse' in subsection (1):

'water (forest) allocation' in respect of a water licence means the allocation endorsed on the licence authorising the planting of the forest to which the allocation relates in accordance with section 28C;

No. 3. Page 3—After line 27 insert new clause as follows:

Insertion of Division 4 of Part 4

2A. The following Division is inserted after Division 3 of Part 4:

DIVISION 4—CONTROL OF THE PLANTING OF FORESTS

Interpretation

28A. In this Division, unless the contrary intention appears—

'forest'—

(a) means trees planted, or to be planted, for commercial purposes; and

(b) includes other plants that are planted, or are to be planted, for commercial purposes and are declared by regulation to be included in the ambit of this definition; but

(c) does not include trees or other plants—

(i) of a class excluded from this definition by regulation; or

(ii) if the number of trees or other plants is less than the number prescribed by regulation;

'prescribed wells area' means a part of the State prescribed by regulation under section 8 for the purpose of declaring the wells, or some of the wells, in that part of the State to be prescribed wells;

'tree' means any tree or bush that, at maturity, usually has a height exceeding 1.5 metres.

Application of this Division

28B. (1) This Division applies to, and in relation to, a forest that is growing, or is to be planted, in a prescribed wells area (or a part of such an area) that has been declared by the Governor by proclamation to be an area, or part of an area, to which this Division applies.

(2) The Governor may make a proclamation referred to in subsection (1) and may revoke or vary such a proclamation at any time.

Control of the planting of forests

28C. (1) The owner of land, or any other person, who plants a forest to which this Division applies on the land is guilty of an offence unless he or she—

(a) has applied for and obtained from the Minister a determination under section 28D of the quantity of water that, in the opinion of the Minister, will not be available for other purposes because of the existence of the forest; and

(b) holds a water licence that has endorsed on it in relation to the forest a water (forest) allocation for that quantity of water.

Maximum penalty: where the offender is a body corporate—$10 000

where the offender is a natural person—$5 000.

(2) A water licence that has a water (forest) allocation endorsed on it—

(a) must identify the forest to which the allocation relates; and

(b) must not have endorsed on it—

(i) a water (taking) allocation or a water (holding) allocation;

(ii) a water (forest) allocation for any other forest.

(3) The following provisions apply in relation to a water (forest) allocation:

(a) the holder of the licence on which the allocation is endorsed is entitled to plant and maintain the forest to which the allocation relates, but, subject to paragraph (b), is not entitled by virtue of the allocation to take water from the water resource to which the allocation relates;

(b) if all or some of the plants comprising the forest are destroyed or die, the holder of the licence on which the allocation is endorsed may request that the Minister—

(i) convert the whole or part of the allocation to a water (taking) allocation or a water (holding) allocation; or

(ii) endorse on the licence or on another licence the whole or part of the allocation as a water (forest) allocation in relation to another forest;

(c) if the Minister grants a request under paragraph (b), the new water (taking) allocation, water (holding) allocation or water (forest) allocation will be subject to such conditions as the Minister thinks fit;

(d) a water (forest) allocation may be obtained—

(i) from the Minister; or

(ii) from the holder of another licence (the allocation may have been endorsed on the other licence as a water (forest) allocation or a water (taking) allocation or a water (holding) allocation).

(4) The Minister must grant an exemption from subsection (1) to a person who satisfies the Minister that—

(a) he or she proposes planting a forest that will replace a forest that had been planted and was living when this Division first applied to the area in which the forest is situated (the original forest) or that will replace a forest that had previously replaced the original forest (or a successor to the original forest) and was itself the subject of an exemption under this subsection; and

(b) the forest will be planted on the same land as the original forest; and

(c) the plants that will comprise the new forest will be of the same species as the plants of the original forest; and

(d) the number of plants per hectare of the new forest will not exceed the number of plants per hectare of the original forest; and

(e) the period between the destruction or death of the original forest (or of the last forest that was a successor to the original forest and in relation to which an exemption was granted under this subsection) and the planting of the new forest is not greater than three years or such longer period as the Minister considers to be appropriate in the circumstances.

(5) Compliance with the requirements of subsection (4), (b), (c), (d) and (e) is a condition of an exemption under subsection (4).

Application for determination by Minister

28D. (1) A person who proposes planting a forest to which this Division applies may apply to the Minister for a determination of the quantity of water that, in the opinion of the Minister, in the year referred to in subsection (2), will not be available for other purposes because of the existence of the forest.

(2) The relevant year for the purposes of subsection (1) is the year in which, in the opinion of the Minister, the quantity of water referred to in subsection (1) will be greatest.

(3) An application under this section must—

(a) be in a form approved by the Minister; and

(b) be accompanied by such information as the Minister requires; and

(c) be accompanied by the fee prescribed by regulation.

(4) When considering an application the Minister may require the applicant to provide the Minister with such further information as the Minister requires for that purpose.

(5) The Minister may, at any time after making a determination under subsection (1), vary it on the basis of information or expert advice that was not considered by the Minister when making the original determination or a previous variation.

(6) The Minister must serve written notice of the variation of a determination on—

(a) the applicant; or

(b) where the applicant is not the holder of the water licence in relation to the forest—the holder of the licence instead of the applicant.

(7) If the Minister has increased his or her determination of the quantity of water under subsection (5), the Minister may, in the notice under subsection (6), require the holder of the water licence—

(a) to obtain an increase, specified by the Minister, in the water (forest) allocation of the licence; or

(b) to destroy an area of the forest specified by the Minister.

Order for the destruction of a forest

28E. (1) Where a person has planted a forest in contravention of section 28C(1), the Minister may, by written notice served on the owner of the land on which the forest is situated, order the owner to destroy the forest.

(2) A person who fails to comply with a notice under subsection (1) is guilty of an offence.

Maximum penalty: where the offender is a body corporate—$10 000

where the offender is a natural person—$5 000.

(3) Where a person fails to comply with a notice served on him or her under subsection (1) or with a requirement included in a notice under section 28D(7) within three months after the relevant notice is served, the Minister may enter the land and—

(a) in the case of a notice under subsection (1)—destroy the forest; or

(b) in the case of a notice under section 28D—destroy the area of the forest specified in the notice,

and take such other action as the Minister considers appropriate in the circumstances.

(4) The Minister's costs of acting under subsection (3) will be a debt due by the person on whom the notice was served to the Minister.

(5) Compensation is not payable to the owner or any other person for the destruction of the forest by the Minister.

No. 4. Page 6, line 24 (clause 9)—After 'water (holding) allocation' insert:

or a water (forest) allocation

No. 5. Page 7, line 6 (clause 10)—Leave out this line and insert:

, a water (holding) allocation or a water (forest) allocation

No. 6. Page 7, line 8 (clause 11)—After 'is amended' insert:

—

(a)

No. 7. Page 7, line 10 (clause 11)—Before 'if two or more' insert:

subject to subsection (5a),

No. 8. Page 7, line 13 (clause 11)—Before 'if two or more' insert:

subject to subsection (5a),

No. 9. Page 7 (clause 11)—After line 20 insert new paragraph as follows:

(b) by inserting the following subsection after subsection (5):

(5a) Paragraphs (b) and (c) of subsection (5) only apply to land if the owner of the land or some other person has, on or before 31 December in the financial year preceding the financial year to which the levy relates, satisfied the relevant constituent council that the paragraph concerned applies to the land.

Consideration in committee.

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

That the Legislative Council's amendments be disagreed to.

I will be succinct in my reasons for disagreement. The Hon. Mr Elliott in another place proposed that a division 4 be added to the Water Resources (Water Allocation) Amendment Bill to control the planting of forests. Those amendments are long and I believe unnecessarily convoluted. In this place, the member for Hammond, the shadow minister, the member for MacKillop, the member for Gordon and a number of other members canvassed the problems involved if water is separated from the land through which it percolates and that the use of that land must be a factor in the recharge of the aquifer.

I clearly indicated to all members in this place that that was a problem and that it must be addressed. I have given

assurances to this chamber then and now that that matter must and will be addressed in the sitting. It is unfortunate that the Hon. Mr Elliott in another place cannot wait even the few weeks that it would take to undertake the necessary consultation. The member for MacKillop, the member for Gordon and others know that the reason we have come this far in this time to a reasonably satisfactory conclusion is that we have talked to the stakeholders, and principally in this case the people in the South-East, about these provisions and how best they can apply, and we achieved some sort of consensus which we brought to the House.

I believe that it would be an abdication of the responsibility of the chamber and my responsibility as minister in particular not to talk to affected parties, to get consensus and to come up in this place with the best possible solution. The member for Gordon, for instance, said that clay spreading is a factor affecting aquifer recharge, and that is so. Certain crops as well, I think the member for Gordon or others said, affect aquifer recharge.

I conclude by recommending to this committee that we disagree with the amendments not because they are not sound in principle but because they are not encompassing. They do not, I believe, deliberatively and with due consideration address the issues at hand and, frankly, I think that, if we disagree to the amendments, seek to address this matter in the parliamentary break and come back here with a considered opinion of members on both sides of the chamber, members in the upper house and, most importantly, members in the community, we will arrive at a better solution.

Mr HILL: I speak in opposition to the comments made by the minister. I have looked at the amendments introduced by the Leader of the Democrats in the other place. The opposition did support the amendments because they proposed a principle, which I think is a sound principle and which I think most members of the House would agree is a sound principle. I would have found it difficult to oppose what is basically a sound principle. Unfortunately, the government was not prepared or was not able to introduce its own measures to deal with this issue but, if this issue is not dealt with in time, now or in the near future there will be a problem with the availability of water in the South-East.

It is a fact that the amount of land being forested, particularly with blue gum and pine, is increasing rapidly, and it may well be the case in the next few years that there will be a substantial increase in the amount of such land. If a measure such as the one proposed by the Democrats in the other place is not introduced, it may well be that more water is being allocated than is available. That would be a tragedy, because we went through a very long and difficult process to try to get the formula right.

I am comforted by the fact that the minister has indicated that he will come back to this place in a relatively short time to address this problem. I hold him at his word. I know that we do not have the numbers in this place to get this measure through. I am pleased that the minister has had some pressure put on him to make the announcement that he has made today, and I suspect that this measure may well end up in a committee between the two houses, where it will be resolved.

Mr WILLIAMS: I have been involved in this debate for some three years. At the last election, the community in the South-East—largely in my electorate and in the neighbouring electorate of Gordon—said something very powerful to this parliament with regard to water resources, the way in which they were being handled, and the way in which this government previously had handled water resources in this area. In the last couple of years, a select committee of this parliament has examined this issue in the South-East and has come up with a series of recommendations. To my absolute amazement, we now have an amendment from the Democrats which would take us back three or four steps—an amendment which shows a complete misunderstanding of not only the Water Resources Act 1997 but also the way in which that act is applied in a practical sense in the South-East.

It shows a complete ignorance of the wishes, desires and aspirations of the communities in the South-East and what they want to happen with regard to the management of the resources—and I use the word 'resources' carefully, because it involves not just the water resources but a whole series of resources which are interdependent in the South-East. I remind the House that those resources provide a large proportion of the export wealth of this state, and that is not because of the ability to irrigate but because of the ability to farm that land.

This astounding amendment by the Democrats would say to land-holders in the South-East (and this is one of the things that has happened previously) that not only will we take away their right to access the water that underlies their farm, and take away that value of their property, but we also will take away the very rainfall before it even falls on your land. The only way in which to guarantee water to irrigate, the only way in which to guarantee water licences which have been given out at no cost—which have been given out to the detriment of existing land-holders who believed when they bought their land that they had certain rights—would be to sequester the rain before it hits the ground. That would be saying to existing land-holders, 'You cannot change your land practice, you cannot change your farming practice. You can do nothing which will use more of the rain than you used yesterday.'

I can tell the House that something as simple as increasing the fertiliser regime on a property, or planting a paddock of pasture to an improved pasture over what might be an existing native pasture and then applying a little extra fertiliser, will involve using a large amount of extra water. There is a whole plethora of crops which will use an extra amount of water. Do the Democrats in another place propose to say to land-holders in the South-East that it is more important for a small number of existing irrigators to ensure that they can go on doing what they are doing—and, I would suggest, in an unsustainable manner? Nowhere in the world in the history of irrigation practice has an irrigation system had a life span of more than 100 years; yet the Democrats believe that it is more important to tell every farmer in the South-East that they cannot use the rainfall that falls on their land because a handful of irrigators have been told that they have inalienable right in perpetuity. It is an absolute nonsense.

It was nonsense to take away from farmers their right to use the water that falls on their land after it has percolated through the soil profile and into the aquifer underlying their land, and we have been grappling with that nonsense for over three years. In fact, this goes back to the late 1970s, when we first started to look at this problem. This argument has been going on for well over 20 years, and successive governments and groups of bureaucrats have tried to patch up the mistakes and have got them themselves deeper into the morass. At last we have reached the point at which the Democrats are saying we should sequester the rainfall, because previously we have given guarantees to a certain, very small and exclusive group

of people. It would be an absolute disaster to set this precedent.

Mr McEwen: It is Liberal Party policy.

Mr WILLIAMS: It is not Liberal Party policy.

Members interjecting:

The ACTING CHAIRMAN (Mr Venning): Order! Members will come to order!

Mr WILLIAMS: For the three years at least that I have been involved in this debate, land-holders have pleaded that they paid a premium for their land in the South-East because it had ground water below it and at some time in the future they could access that ground water. As I said, for over 20 years, successive governments and groups of bureaucrats have said that it is a community resource, that it will be allocated as they choose and, if the land-holders do not intend to use the resource at this time, it will be given to somebody else.

In 1989 my family and I went to our bank and borrowed a large sum of money, and that is not something that members opposite would have any comprehension of. We stuck our neck right out and borrowed a large sum of money to buy a farm next door to us, and the reason we paid a premium price for that farm was that we decided—

Mr Foley: We borrow money on this side too.

Mr WILLIAMS: You know very little about running a business, whether it be a small business, a large business or running the state. You have proved time and again that you know nothing about it. We made a decision to buy this property because we thought that, being livestock producers, it was an ideal property to put into cropping and, if livestock took a downturn, we would be able to crop it and change our enterprise mix. That was in 1989. As we all know, within 12 months the wool industry collapsed. The decision that we took in 1989 to convert that property to cropping might have been put into practice in 12 months or two years.

Would the government say that, because I as a farmer, or any of my neighbours or anybody else in the South-East took that decision, and did not put that property or a similar property into cropping at the time, it should be taken away from us and given to somebody else who might be able to make a better economic return? That is exactly what this sort of thinking about water resources is trying to say: that we as a government will pick winners; that we as a government will decide who can make the best return from our resources; and that we as a government will say to one group of people, 'Because you are not making the best return today, we will give it to someone else who we think will make a better return.'

Mr Wright: What's the question?

Mr WILLIAMS: I have a whole series of questions. The member for Lee asks, 'What is the question?' We spent the best part of today listening to the member for Lee talk a lot of nonsense about a previous matter and, within a minute or two, he suggests that I should round off my point.

The ACTING CHAIRMAN: Order! The member for MacKillop should not respond to interjections. He should keep to the subject.

Mr WILLIAMS: I thank you for your direction, sir. There is a group of people, be they within the bureaucracy, government or landholders or irrigators in the South-East, who think that the best economic return today is achieved by growing grapes. I say quite openly that I believe the wine grape industry has saved South Australia over the past few years. It has invested hundreds of millions of dollars in my electorate and provided hundreds, if not thousands, of jobs—and not just in my electorate. It has been a great industry, but it is only about—

Members interjecting:

The ACTING CHAIRMAN: Order! Members will come to order!

Mr WILLIAMS: —15 years ago that the government of South Australia was subsidising grape growers to pull vines out of the ground. Anyone who has had any experience in primary production will know that there is a cyclical nature to the economics of every primary industry in this country. Who is to say whether, in five years' time, grapes will return more than, say, merino sheep? I think they probably will, but I do not know. If I had a crystal ball, I would be a very wealthy person.

Mr Koutsantonis: Have you got a point in here somewhere?

Mr WILLIAMS: I have a lot of points.

An honourable member interjecting:

Mr WILLIAMS: Thank you, mate. One of the things for which this parliament often gets itself into trouble is picking winners. Whether they be economic, environmental or social, I do not think it is the role of this parliament to endeavour to pick winners.

The amendment refers to commercial forests and suggests that if someone is going to plant a forest they will need a special water allocation. The Landcare movement, which has probably had a greater influence than any other movement in rural and regional Australia over the past few years regarding environmental issues, has suggested to farmers that, if they returned 10 per cent or up to 20 per cent of their land to vegetation (commercial or non-commercial), they would increase, or certainly not decrease, their production, whether it be from livestock or some sort of crop regime. Why would the Democrats amend—

Members interjecting:

Mr WILLIAMS: They know nothing. Why would the Democrats introduce an amendment—

The ACTING CHAIRMAN: Order! There is far too much background noise.

Mr WILLIAMS: Why would the Democrats move an amendment to stop people from growing trees on farm land?

Members interjecting:

The ACTING CHAIRMAN: Order! The member for MacKillop should not respond to interjections.

Mr WILLIAMS: The opposition spokesperson for the environment suggests that I have misread this. The problem with regard to the management of the South-East's water resource is that those from outside the region have looked merely at water management and missed the big picture of total resource management. That takes into consideration land management and the return we can make from land, whether it be through irrigation practices—which is the minority of the production that comes out of the South-East—or whether it be from the greater primary production systems which occupy all of that landscape. Those primary production systems include—

Mr FOLEY: I rise on a point of order, sir. The member for MacKillop has repeated the same point six or seven times over. Will you please advise the committee of the procedure at this point? Should he make a point or ask a question, or is it like groundhog day: it just keeps rolling around, and we will get to midnight and start again?

The ACTING CHAIRMAN: There is no point of order; the member for MacKillop has the floor but I suggest he might like to consider winding up his remarks.

Mr WILLIAMS: When we look at the forestry enterprises in the South-East we see that about 100 000 hectares are devoted to commercial forests. Those 100 000 hectares produce about 20 to 25 per cent of the economic activity in the South-East. It represents about 12.5 of the total employment in the South-East and, with the multiplier effects, it caters for about 20 to 25 per cent of the total employment in the South-East. I take your advice that I should not respond to interjections, but the shadow minister asked how much water it used. The best available scientific evidence suggests that the softwood timber industry uses the totality of the rainfall, no more and no less.

Mr Hill interjecting:

Mr WILLIAMS: He further asks, shouldn't that be taken into account? I have been arguing for three years that, yes, that should be taken into account, but there are two ways in which this can be taken into account. One way is that because we have a handful of irrigators out here we should sequester the rainfall before it hits the ground and give it to them. The other is that we have a whole host of land managers out there who have purchased their land in the district for a range of reasons, including the high rainfall, knowing that the rainfall occurs in a seasonal pattern (nevertheless with a certain mean average); the people have come to that area to buy the land plus the surety of the rainfall. This amendment that the Democrats have moved to the minister's bill would have the effect of saying to the landholders in the South-East, 'You have no rights to the rainfall that falls on your property, because we will sequester that and give it to a small group of irrigators.' It absolutely astounds me that the Democrats would move—

Mr FOLEY: I rise on a point of order, Sir. Standing Order 364 provides that in committee, except when considering appropriation bills, a member other than the member in charge of the bill, motion or amendment may not speak more than three times on any one occasion, nor for more than 15 minutes on any one occasion. We have no clock, but I can assure the chair that the honourable member has been going well beyond 15 minutes. I ask that that standing order be adhered to.

The ACTING CHAIRMAN: Order! The honourable member has been speaking for almost 15 minutes, in my view. The member for McKillop is winding up.

Mr Foley: How would you know?

The ACTING CHAIRMAN: I sought advice.

Mr WILLIAMS: In my concluding remarks I would say that it astounds me that the Democrats in another place would move an amendment which would have the net effect of stopping land managers and land owners from planting trees on their land holding, from planting forests whether they be commercial or otherwise—although they do not make that distinction, which is another farce in their amendment—and that they would also sequester the rainfall and say to land managers that they cannot use this because we have given it to a small proportion of the community. I would urge the House to overturn the amendment that has come from the other place.

Mr LEWIS: I think that the Democrats here have mixed up a stick with a bone and are chewing the wrong end anyhow. How could you possibly understand what is meant when it is said that 'the definition of a tree is a tree'? I can understand the Democrats coming to that conclusion, but it does not make much sense in law if you want to get a clearer understanding of the meaning of the word 'tree' to say that it is a tree.

The Hon. M.K. Brindal interjecting:

Mr LEWIS: It is a tree and it does not say anything about roots. It could be a bush. It also says that it has normally to be more than 1.5 metres. So, what gets a tuft gets excluded. To put none too fine a point on it, there are a number of species that do not grow in hard conditions—they have a difficult life and all that—above 1.5 metres but, planted in better conditions, they will exceed that, and there are not any normalities. I am drawing attention to the inadequacy of the material contained in the schedule of amendments provided by the other place, and I believe the Democrats, in a way that underlines what they have achieved in spite of what they thought they were achieving.

The other gross inadequacy of the proposition contained in these five pages is that, whilst they set out to define vegetation which might use greater quantities of water than other vegetation, they missed the point completely. As you know, Mr Acting Chairman, and as the member for MacKillop and many other members in this place know, lucerne will never exceed 1.5 metres high before it flowers, yet it uses more water more quickly than almost any other herbaceous erect perennial. That is how I would describe a tree.

Mr Hill interjecting:

Mr LEWIS: I do not mind which you have first—the herbs or the erection.

The ACTING CHAIRMAN: Order! The committee will come to order.

Mr LEWIS: The fact remains that the species *Meticago sativa*, otherwise known as alfalfa in the North American continent (and we know it as lucerne), uses a hell of a lot more water than do forests. Had it not been for the demise of Hunter Valley lucerne as a result of the introduction of the aphids that attack it, inadvertently in the late 1970s much of the drainage problems of the South-East would not have arisen. Much of the salt scalds we now see there would not have occurred because the lucerne would remove the water before it could reach the water table and in contacting that saline ground water table become unavailable to plants, such that the saline ground water table after the lucerne died rose to the point where it eventually broke the surface in the lower lying areas of the terrain and caused the salt scalds—tragic but true. So, the Democrats, with all good intention as Democrats have, have failed. I commend the minister for what he is suggesting.

Mr McEWEN: These amendments pose an interesting dilemma for the government and for the minister in that there is an anomaly as things stand. The minister has confirmed that and those of you who wish to check the record when he closed the debate on the bill in this place will note that he not only acknowledged that there is a gap: he also gave a commitment to this house that he would address it in the spring. The difficulty he created in so doing, though, was the potential to leave the door open and, therefore, for water allocation to be abused.

The minister's dilemma comes about because he cannot allow water allocations, water trading or whatever to begin again—in other words, he cannot lift the 3 August moratorium—without having in place either an improved water allocation plan (and that will not happen, because the catchment board is not yet in a position to recommend that to the minister) or introducing an interim water allocation plan. The minister has a very challenging time ahead of him in introducing an interim plan which will at least stop the double dipping and other anomalies that are created because

of this vacuum between the moratorium being lifted and the approved water allocation plan being in place.

In effect, the Democrats are really trying to assist the minister in that regard, because the government has given a commitment to protect existing water uses, and it has never moved away from that commitment. I have heard some suggestions tonight to the contrary but the government has a commitment to honour allocations to existing irrigators who have spent the money and invested the capital in the industry. They are the wealth generators; they have attempted to create the jobs. They will be protected and, in protecting them, the minister cannot allow water to which they now have access to be removed out of the PAV. One clear way to remove that water out of the PAV is to actually stop recharge by planting forests, and the minister has acknowledged that.

The minister has acknowledged that, in a fully allocated hundred, the planting of forests will, in effect, be taking away water that is presently allocated. He understands the dilemma and he knows that he has to find a way in his interim water allocation plan to simply stop that from happening. The minister also knows that forest companies are presently purchasing land to plant forests. When purchasing land they also gain a water allocation plan which they might be able to sell. So, now we have a forest company selling the water, and then planting the forests. Again, the mechanism put forward by the Democrats would have avoided that dilemma. Forest companies that are in this for the long haul are appalled that some fly-by- nighters can buy the land, sell the water, and plant the forest. However, without the mechanism put forward by the Democrats, or an interim water allocation plan, that will be possible and it is totally unacceptable.

In the interim, the challenge for the minister—in the absence of supporting these amendments—is to find a way within his interim water allocation plan to prevent that happening. I am confident the minister will do that, and I am confident that the minister will protect existing water users, and that we will not find ourselves in the dilemma where we have to take water back that has been allocated, and put at risk that investment. I am prepared to give the minister time. One thing that is not appreciated is that, at present, forestry actually has an allocation. It has an allocation because PAV is calculated after subtracting from the total recharge area the area that is planted to forests. In other words, they have been given hierarchically a higher order allocation. In addition, over the next two years the minister has factored into planning the potential forest plantings. So, again, they are captured within the PAV. We do have some time, other than in fully allocated hundreds.

If these amendments are not supported tonight, the pressure is back on the minister to find an interim mechanism to avoid the type of dilemma I have described. I have faith in the minister that this will be achieved, and I look forward to having this debate again in the spring when the minister brings forward further amendments. The final debate will occur when the minister signs off on the water allocation plan that is presented to him by the South-East Catchment Water Board.

Mr WILLIAMS: I feel that it is necessary to rise because the last speaker has completely misrepresented the facts and the minister's position and obviously has some lack of understanding of the Water Resources Act 1997. I refer members to section 30 of that act. The Water Resources Act, in giving a water allocation to a land-holder, reserves the right of the minister to alter that allocation if the continuance of that allocation and the continuance of that extraction puts at risk the aquifer or the resource.

The Water Resources Act gives the minister the opportunity to make water allocations so that land-holders and the recipients of those water allocations can utilise the resource. However, it does not allow the minister to guarantee in perpetuity access to that resource at a particular level, come what may.

It is incumbent on the minister to protect the resource, and if in the minister's opinion the resource is being overtaxed he has the power to reduce water allocations across the board. Some would say, and indeed some irrigators in the South-East of the state do say and believe, that they have been given a guarantee to a particular quantum of the resource. That is a nonsense. This parliament cannot guarantee in perpetuity either the quantum or the quality of that resource. For anyone to suggest that the minister will guarantee to an irrigator that he will have in perpetuity a particular quantum at a particular quality is nonsense. It is arrant nonsense.

The Democrats would apparently have us believe that that is the way we should proceed, yet on the other hand they say that we should be planting trees on the landscape as hard as we can go. The Democrats have become seriously confused in relation to this issue. I believe that this House should think very carefully about what it is trying to do. As I suggested a few minutes ago, this House should look at the big picture. We should not look at one part of the total resource in the South-East which is producing well for this state: we should look at the totality of the resources, including the land, the water and all the other components of that resource. It also involves putting those various resources together to produce a whole range of products which build on the wealth of this state.

This is the dilemma which previous poor policy making has brought upon us. As a result of previous poor policy making, one group of land-holders has been told, 'We have taken away your right to use the water after it lands on your ground and percolates through the soil profile.' Those land-holders have rightfully said, 'Well, if I cannot irrigate a small portion of my farm, I will not be viable. A forester has come down the road and said to me, "I will offer you a certain price for your property because I can plant blue gums or pinus on that land, and I can create wealth from that and create jobs in the state. I will pay you a certain dollar value for your property, because I don't need to extract water from the aquifer via irrigation; I will just use the rainfall".' However, this amendment would say, 'No, you cannot do that. We have taken away your right to use the aquifer underneath the ground, and now we will remove your right to utilise the rain that falls on your ground.' That is an absolute nonsense, just as the suggestion that the minister can guarantee to an irrigator that he has a right in perpetuity to quality and quantum of the resource is arrant nonsense. The quicker this committee dismisses this amendment and allows the minister's amendments to proceed—in line with the recommendations of the select committee of this House to proceed with a pro rata roll out—the better.

I have argued for three years that the only sustainable way to proceed with this water resource in the South-East is to allow each farmer to have access to the rainfall on his property. If someone neighbouring wishes to utilise the excess of that rainfall they can come to some arrangement—whether that be done formally through a water allocation or through some informal lease agreement between the two individuals, I care not. But to say, 'We will sequester the

rainfall because we have some misguided notion that we have made a commitment to existing irrigators in perpetuity', will only make us go further into the mire.

I certainly suggest that the committee throw out this amendment and take the minister's word that he will look at this matter over the recess. The member for Gordon talked about double dipping, an issue that is miles away from this amendment. I acknowledge the problem with respect to double dipping. I have spoken about it many times in this House but it is miles away from this amendment. I say that we give the minister the opportunity to look at the issue of double dipping and to address it in the spring session.

The Hon. M.K. BRINDAL (Minister for Water Resources): I move:

That standing orders be so far suspended as to enable the House to sit beyond midnight.

Motion carried.

Mr HILL: I will not take up much time of the House. I feel I need to respond to some of the comments made by the member for MacKillop. I know about this issue and the effect forestry has on water because of the member for MacKillop. He spent an enormous amount of time on the select committee of which he and I were both members and which was inquiring into water in the South-East, dealing with the issue of how to take into account the effect of forestry on the amount of water that has been used. I acknowledge that it is a difficult issue. I also acknowledge that the proposition the Democrats have put forward is perhaps not the best way of dealing with the issue. Nonetheless, it is a principle that has to be dealt with. What concerns me is that the member for MacKillop says we should oppose this amendment. He then says that the minister will go away and come up with something that will deal with it.

Presumably the minister's proposition will be similar in some way to what the Democrats have already come up with. If it is not, then perhaps the minister is not being as frank with the House as he might. If the minister comes up with something similar to what the Democrats have brought forward or a different way of dealing with the same issue with the same sort of result—that is, if you grow trees on your land for commercial purposes, the amount of water used has to be taken into account in some sort of allocation policy—I would be curious to know whether the member for MacKillop will vote against that when it comes up because it will be his own side putting forward basically the same proposition.

This is a very sensible principle. I am not convinced that the measure the Democrats have brought forward is the best way of dealing with the principles. It really puts the onus onto the government to come up with a better way of dealing with it. We have not heard of any better way tonight. The minister has said that he will come back in the spring session with something better. As I have said before, I imagine the government has the numbers to defeat this proposition tonight. We are looking forward to seeing what the minister comes back with in the spring session. I will look forward very much to the contribution of the member for MacKillop in relation to whatever measure he comes forward with in September.

The Hon. M.K. BRINDAL: I thank all members for their contributions to the debate. I would sincerely apologise to my colleague the Minister for the Environment, the Whips and members for miscalculating the time this effort would take.

Members interjecting:

The Hon. M.K. BRINDAL: The minister interjects that it has been the longest 30 seconds in the history of the Parliament. I assure the minister I stand rebuked. I will know better next time. I thank all members for their contributions. For the reasons the member for Hammond elucidated quite well, while there is a principle involved which I have acknowledged before, this amendment is not well enough thought through for this House to consider. That is why at this time it is inappropriate, and I ask the House to support the government in disallowing the amendments moved by the Democrats in another place.

As to the point and counterpoint of my two colleagues from the South-East, I will need the patience of Job and wisdom of Solomon, and I am not quite sure that I possess either of them. I assure the shadow minister that this government is quite capable of coming up with a reasoned solution that does not disadvantage anyone and looks after the interests of those who would make economic benefit on behalf of us all in the South-East, but at the same time protects the water, which is our primary principle.

In conclusion, I ask the committee to support the government's motion for disagreement to the amendments moved in another place.

Motion carried.

RECREATIONAL GREENWAYS BILL

Adjourned debate on second reading.

(Continued from 24 May. Page 1220.)

Mr WRIGHT (Lee): This bill provides for recreational trails to be the subject of registration of access agreements on the relevant certificate of title. The opposition has studied this bill and consulted extensively, and we believe that, as a result of the information provided to us by industry people and from studying the bill, this bill makes good commonsense. The access agreements will be negotiated between landowners, both private and public, and the minister.

Agreements will provide for such things as type of permitted use, indemnification and waivers of liability, and opening and closing times. These agreements will help to overcome the lack of access certainty for our network of recreational trails. For that reason, this is a good bill. Any bill of this nature that will help to overcome the lack of access certainty for our network of recreational trails should be welcomed, and this is a step in the right direction.

I believe that the bill, which covers the establishment of greenways, the use of greenways, access agreements and the administration of those aspects with respect to the role of the minister and authorised officers, sets out clearly and in a straightforward manner what is to be achieved. The opposition is pleased to offer its support.

As I said, we have studied it in detail and consulted very widely, and the opinions that we have received have been in support of the bill. There are a few general questions that we will ask during the committee stage, but to our way of thinking this is a good approach. It is a good bill that the minister has brought before the parliament. It has clarity and is well explained. It probably draws on other legislation but, nonetheless, it is to be welcomed; it is a positive step.

Of course, as a community we would always want to encourage the use of our recreational trails: we would encourage people to make good and sensible use of them. We would encourage access but, of course, the ongoing care of

those trails is very important; we do not want them to be destroyed or damaged, so we have to look at such aspects as the effect of councils and other users on trails. We see this as a positive bill and a good bill for the community. It is very important that we have people involved in a recreational pursuit of this nature, and facilitating greater access to recreational trails can only be a good thing. It is a step in the right direction and we are delighted to support the bill.

Mr VENNING (Schubert): I will speak briefly in support of this bill. I believe that it is a positive step forward to formalise arrangements with owners of land to allow control of public access to those lands, particularly when all the parties agree. As an owner of land—and as an owner of some beautiful land—I certainly have a vested interest in bills such as this, and I certainly declare an interest in this one. The state already enjoys a network of recreational trails—in excess of 3 000 kilometres—but this network and its future development is restricted by ad hoc arrangements and uncertainty with land-holders. This bill is proposed to overcome the situation of uncertainty by providing for the registration of access agreements on relevant land titles.

I am conditionally in favour of further development of our walking trails or greenways. The opening up of untapped resources in this state is just beginning and I believe it will become a major tourism attraction. I speak about ecotourism, a very exciting aspect of the great tourism potential of this state. The ERD Committee is about to undertake a study into ecotourism and I am looking forward to that. I see this bill as a win-win situation: a win for the tourism industry and a win for the landowner. Walkers would be able to enjoy the scenery but would also be able to report anything untoward to the landowner. For example, sick or dying stock or an outbreak of noxious weeds could be reported to the landowner, who could then act quickly to remedy any such problem.

I also believe that the bill will encourage landowners to open up their properties, particularly if they have some attractive country, and allow others to enjoy the ambience of that location, knowing that they, as the landowners, have some legislative protection and, if abuse is evident, the greenway can be closed or access restricted. My support of this bill is contingent on the fact that the landowner must have control of who does or does not come onto his or her property and also must have the right to refuse at any time. Hopefully, a positive outlook will lead to good cooperation, but at the end of the day owners' rights are paramount. My family owns some very attractive property, particularly along the Rocky River, and I am pleased to allow anyone to walk in that area as long as the family knows.

I also trust, although it is not glaringly obvious in the bill, that once an access agreement has been entered into between the minister and the landowner, if the agreement has a sunset clause, the landowner can close that greenway without questions or reasons once the sunset has come into operation. I always support the right of the owner to say, 'No more', when and if an agreement expires. I am also pleased to see that motorcycles are not allowed access to the greenways as I believe they can cause considerable environmental damage, even though my son is a very keen motorcyclist, as indeed am I. Noise frightening stock and native fauna as well as soil erosion are all reasons why motorcycles should not be encouraged. Horses and bikes are also envisaged, and I have no problem with that.

I am also very supportive of the idea of closing roads where they are no longer needed for vehicular traffic and are overgrown with bush, often weeds, or obstructed by fallen fences. I know that adjoining landowners are pleased to buy or lease this waste land. I also believe that a positive trade-off is to allow walkers an alternative walking route if the walkers object to the road closure. I enjoy a walk in the country and I would never deny anyone else the privilege just because they themselves do not own land. I certainly support this bill.

Ms RANKINE (Wright): As we have heard, this is a positive step in relation to our recreation trails here in South Australia. Certainly, on the face of it, it is much more positive than a number of initiatives that this government has implemented in the environmental area—and we have only to look at what is happening down at West Beach. I have to say that the government's record is less than impressive. But, sadly, this bill will not give the minister the credentials that he needs or the credentials that the government needs.

Like the member for Schubert, I enjoy walking and I do a lot of it, particularly up through the Cobbler Creek Recreation Park in my electorate. A couple of weeks ago, I had the opportunity to walk a trail from Port Elliott to Middleton. That trail is a credit to the community. It was a community effort and, quite clearly, members of the community have put a lot of work into that trail and a lot of care into protecting their coastline. At the same time, they are showcasing one of our most stunning stretches of coastline.

The opposition and I support this legislation, but I have some concerns and queries, which I will attempt to address in this speech so that we do not have to go through to the committee stage. I understand that this bill consolidates a range of options that are already available in a range of other pieces of legislation. So, it does not really change a lot. However, it does provide some permanency of access and registers the walkway on the title. My understanding is that the walkway is part of the sale and is registered on the title, so it cannot be closed.

I have a question about the cost of establishing these walkways. Quite a significant amount of money has been allocated—I understand $6.2 million over six years. An article in the *Advertiser* in March states:

> More than 2 500 kilometres of trails will be mapped with satellite technology and have special identification markers and new signs installed.
>
> One of the state's major walking trails, the Heysen Trail, has been criticised for being in such disrepair hikers were losing their way.
>
> Between now and May, surveyors using global positioning system technology will cover trails to determine landmarks such as bridges and dangerous slopes. The new trail signs and markers on every major trail will be GPS identified.
>
> If walkers provide the GPS code on the last marker they saw a rescue team will be able to establish its position within two metres.

I wonder how many walkers have been lost. It would appear that a lot of money is going into this new technology to map the trails and markers, but I wonder how significant this problem is. How much of the $6.2 million will go to this surveying company and how much will go towards the repair and establishment of the trails?

One of the focuses of the strategic plan that was developed highlights the importance of volunteers in this whole area, and it highlights the fact that the state government is committed to working with and supporting volunteers through funds and, basically, valuing their contribution and that, in fact, the success or otherwise will depend quite significantly on the

involvement of volunteers. I understand also that the Australian Retired Persons Association's walking club offered to carry out the survey work that we are paying for, and the government said no. I would be keen to know why that happened.

I also understand that the government has engaged consultants with respect to this matter. I have a copy of the draft Recreational Trail Usage in South Australia benchmark paper. It seems that it was prepared for McGregor Tan Research by Them Advertising, and the principal consultant was a Frances Eltridge, on behalf of the Office of Recreation and Sport. I would like to know at what cost this paper was prepared and how much was paid to Them Advertising. I point out that $6.2 million is a lot of money and, as much as I love walking, it is a hard case to argue in my electorate, when our hospitals, schools and police are being starved of funds.

I have some issues in relation to the closure of greenways, the appointment of authorised officers and their powers and the charging of fees that I would like the minister to address. I will also seek an assurance from the government about the state's unmade roads, and even more so after hearing the member for Schubert talk about his pleasure at seeing the unmade roads sold off to landowners. A lot of people will not be pleased to hear that, and I hope it is not the government's intention, in developing a series of walking trails, to then sell off the unmade roads that are also used extensively by walkers and horse riders.

Mr Venning: That is a decision of the council.

Ms RANKINE: Yes, and the honourable member's council has bungled it on numerous occasions. I would like to know that it is not the government's intention to use this legislation as a ruse to sell off our unmade road system. The minister knows that thousands of kilometres in South Australia are used extensively.

I have had a quick glance over the discussion notes developed by the minister's officers. The pursuits listed are walking, cycling, horse riding and skating, and I thought that most curious. How can you skate through a walking trail? I would be interested to hear the minister's explanation of that.

I will go quickly through the clauses in the bill one at a time and, if the minister takes note, he might get back to me with some answers. Clause 11(5) provides that fees may be prescribed by regulation for the use of greenways by tour operators for commercial purposes or any other commercial use of greenways. I understand that currently tour operators do not have to pay a fee, and I would like to know why we are introducing that when it is an industry and tourist activity that we should be encouraging.

I also have questions about the closure of greenways. Under clause 12(2)(a), the minister may close a greenway temporarily. I note that, if the minister wants to reopen a greenway, a time is specified. However, there is no specification for the time of a temporary closure. I would have thought there should be a limited time and, if it needs to remain open, the minister should go through those processes to secure that closure; otherwise, a temporary closure could be put in place and remain permanent. Clause 25, which provides for the appointment of authorised officers, states:

> The minister may appoint such persons to be authorised officers for the purposes of this act as the minister thinks fit.

These authorised officers have the power of arrest under clause 29. What does the minister have in mind in relation to that? Can landowners be appointed as authorised officers? If they are hurt in some way, what safeguards are in place for those people? That provision seems too open-ended.

The powers of the authorised officers include the ability to be able to take photographs, film, video or audio recordings or make a record in any other manner or by any other means. Will the minister say whether that is with the consent of the person being interviewed?

Clause 31, which concerns the offence of trespassing on private land from a greenway, provides that a person must not enter private land from a greenway if he or she has possession of a firearm. Does that mean that they can take the firearm on to the greenway but not on to private land, or should there be a restriction on taking firearms on to greenways?

In March, the minister made reference in the House to the potential of this initiative to boost our tourism. Clearly, we have a very beautiful state and there is much here for visitors to explore. The minister talked about listing Aus Trails on the internet for ease of access for people from overseas visiting South Australia. It is a very sensible move. The minister mentioned overseas visitors logging into Australia and then linking into Aus Trails. He said:

> We have launched a new signage scheme called Aus Trails, a name we chose simply because overseas tourists, when looking on the internet or at brochures, will look up the word 'Australia' first. The name 'Aus Trails' therefore will be brought quickly to their attention and we will get more of the tourism market for those involved in the recreational ecotourism area, which to me makes sense.

Me, too! Ecotourism is booming in the tourist industry. Visitors want to see our natural environment at its best and, as I have said, we have much to offer. I hope our visitors have more success than I have had trying to look up Aus Trails on the net. The net is relatively new to members, but I am not totally computer illiterate and I have not been able to find it. Will the minister say whether the site has been registered and prepared? Perhaps my search was faulty and the minister can give me the correct website address so that I can look it up.

I assume this has been done, because the minister made the announcement here and put out press releases about it. I am sure that the minister would not be so foolish as to announce it without going through those processes. He would not set aside $6.2 million for our walking trails and overlook a basic thing such as registering a website before announcing it—or would he? I look forward to hearing what the minister has to say.

It is important to plan, develop and establish our walking trails. This is a very worthwhile exercise. The Heysen Trail, for example, is a flagship in South Australia for people interested in this activity. I hope that the majority of the funds that have been set aside actually go towards improving our walking trails and upgrading them and not into the pockets of consultants. To do this properly we need a state-wide plan. We need to make proper use of our unmade roads system, but let us not kill off this fledgling industry with unnecessary fees and charges. Let us not impose disincentives on what could be a real growth area of tourism. I give this bill my reserved support and I look forward to the minister's response to the issues and questions that have been raised.

Mr LEWIS (Hammond): I see this measure as an interesting one. I have heard the remarks of other members and the minister in his second reading explanation. That does not mean that I am without anxiety about the proposed measure. Even though I attended a meeting and asked some

questions to which I expected to get some answers, I have not received those answers, and that causes me to be anxious.

The reasons for my anxiety are that this is 'feel good' legislation which is intended to provide recreational pathways throughout the length and breadth of the state where it is considered that people would like to walk—not that they cannot walk there now, mind you. The member for Schubert pointed out that he and thousands of other landholders are happy to allow hikers on their property as long as they know the hikers are there. Others, to their cost, have learnt that such generosity in providing access for the purpose of recreational hiking and the good that comes from it have been sued when, inadvertently, hikers have injured themselves whilst on a landholder's property.

This is a worry to me. I do not see how a property owner can be sure of being indemnified of risk, especially if they hold one or another type of lease on the land, because they are easily subjected to great coercion by the bureaucrats who work in that particular government agency which has control of such leases. I imagine that they will simply be told, as I have known bureaucrats to tell landowners, 'You either accept what we are putting to you and agree to it or we will find it very difficult to renew your lease.' That kind of coercive power does exist, and in many instances it is done without the landholder (not the owner; that is the Crown) knowing their rights; neither do they know or believe that they would be capable of meeting the costs that would be incurred if they went to consult legal opinion about it. So, we are really diluting the rights of the holders of Crown leases by establishing the law in the manner in which it is proposed to establish it within the provisions of this bill. That aspect of it worries me, too, when I read clause 6, for instance, which provides, under 'public consultation on the proposed greenway' that, before making a recommendation to the Governor for the declaration of a proposed greenway, the minister must cause to be published in the *Gazette* and in a newspaper circulating throughout the state a notice that sets out the location of the greenway and so on.

Let me draw attention to those words 'throughout the state'. The majority of people who live along the Murray River in my electorate, for instance, between, say, Walkers Flat and that point near Blanchetown where the land is not freehold but Crown leases of one kind or another do not read the *Advertiser*, and this is a newspaper that circulates throughout the state. So, the people who drafted this legislation and the people who were instructing them do not really understand the mores of country people who will be affected by the legislation. Clearly, the only newspaper that can be used is not one that people pay for; it is called the *Swan Express*. It is the Swan Area School newsletter and is what people in the area up and down the river from Swan Reach would read.

Farther downriver they are more inclined to take their information from, say, the *Murray Valley Standard*, but the majority do not take any newspaper. They may take the *Stock Journal*, but certainly it is too much trouble and expense to get the *Advertiser*, yet by definition in clause 6(a) that is the newspaper in which it would be established, so they would not know about the location of the proposed greenway and the purpose or purposes for which it is being established.

That is my first concern. Those who have an interest may not be reached, and I know that this idea has been around a long time in the department for the environment. In some measure it was the reason for the clandestine resistance of officers within that and other government departments to the freeholding of shacks, because once you freehold the shack sites this legislation would mean that the greenway would need the approval of the owner of the land, now freehold, whereas previously the greenway could have gone between the building, whether that be the boat shed, garage or shack itself, and the edge of the water. Even though that distance might be a matter of only two or three metres, it would not stop the greenway being established across that ground.

There is nothing in this legislation that protects the interests of those people who still have leasehold land against coercive tactics being used against them by the bureaucracy. Whilst there is a requirement in clause 7 to tell the owner and occupier of land adjacent to land that has a greenway upon it, frankly I do not see that that will necessarily result in a satisfactory outcome. Again, there are a number of shacks in the Bow Hill area that are on private land and not Crown land, but the occupiers of those shacks may not learn from the owner of the land that as occupiers something is happening to them. In some circumstances there—it is not only one batch of shacks I am thinking of, there are others—the owner of the land would be quite happy to see off the occupiers and it may suit him or her to disagreeably deal with the matter in the interests of those who occupy it, resulting in confrontation.

In clause 9 we see restrictions on the use of the land subject to a greenway, namely 'control of the management of the land or by any other person who has an interest in the land are subject to. . . the right of members of the public and visitors to this state to use the greenway in accordance with this act'. If the greenway traverses a paddock that you wish to cultivate for the purpose of planting a crop, you can be prevented from doing that. You will have to leave the greenway undisturbed. I find that a bit galling. I know that there will be, as there is along ETSA easements, a spread of weeds as a result of the unfortunate consequences of seeds attaching themselves to the footwear or other means of locomotion that people use and being spread. That is how silver grass was spread across the mallee. There is no question that ETSA spread it—an ignescent weed—and it costs hundreds of thousands of dollars in local government areas to keep it under control. It is a terrible weed in its effect on livestock.

I also note the way in which this legislation will adversely impact on people's hunting rights where in the past they have been able to go out with the approval of the landholder and quietly have a shot at some of the game they see around the place, whether rabbits or whatever. They will now have to keep well away from wherever there is a greenway. That to my mind, in the areas of leasehold land in the riverine corridor, will mean that a good way to get rid of duck shooters will be to put greenways around game reserves or in other places near where it has been lawful to date to shoot ducks so they cannot shoot ducks there any more. I know that that is on the agenda for some of the more Machiavellian elements within the bureaucracy. It distresses me that the legislation does not set out in any way, shape or form to ensure that there are adequate sites for people who wish to go hunting. They are certainly prevented from doing so anywhere near where a greenway has been proclaimed.

It also worries me that greenways can be in the pastoral areas or in other Crown lease locations, established over what are already known to be good mineral prospects or in areas where there is potentially a good mineral prospect and, once established, the mining industry will not have access to that ore body if it would disturb the greenway. I can already hear

the Minister for Environment in 20 years' time saying, 'We're not going to agree to it because it will disturb the greenway and we will lose too many votes; it's a popular place for people to walk', apart from whatever inclination they may have to the contrary. Sure, the minister can vary the location of the greenway if the minister wishes to but, if the minister is not offered enough by way of campaign donations to the party to which the minister belongs, I dare say that the minister will tell the interested party to go and get lost—they will not get access to the mineral deposit. That will be to the detriment of the interests of the state's economy quite apart from the effect it will have on those people who would otherwise like to engage in the business of mining.

Altogether, then, I have reservations about this legislation because it is slanted against those interests which are responsible for generating wealth in the community and those interests which are responsible for meeting the costs incurred when silly people do foolish things and injure themselves and then go to see lawyers who, in the modern world, are prepared to take a case of civil damages against a party on the basis of no win, no fee; so, the poor landowner finds himself being sued and having to meet the costs of defending himself from a lawyer who is out to make some money from the prospective damages they get for the claim.

Unless all those reservations can be addressed, I have my doubts as to whether this legislation will deliver the glee and the great benefits without costs on the other side to which other speakers have referred. I like the notion, but I do not see adequate protection contained within the provisions of the legislation to ensure that we do not disadvantage the wealth creators.

The Hon. I.F. EVANS (Minister for Environment and Heritage): I thank members for their contribution and their cooperation in respect of this measure. I appreciate the member for Wright's cooperation in asking the relevant questions during the second reading debate and not in committee. I will address some of those replies now but get others to here while the bill is between houses. The $6.2 million relates to the across the trails network, not greenways.

An honourable member interjecting:

The Hon. I.F. EVANS: It can be used partly on greenways. The greenways measure is really designed for the major trails and is based roughly on the New Zealand Walkways Act. They have 11 000 kilometres of trails but only 1 000 are formally registered. It is that sort of principle we are adopting here. However, I will obtain for the honourable member a breakdown of the expenditure for which she has asked. We certainly are not using this measure as a mechanism to suddenly flick all the road reserves. Like the honourable member, I have an interest in road reserves and their future use. In the future, with the development of accommodation on some of these walking trails (similar to the huts provided in New Zealand on some of their major walking trails) a fee may be charged for accommodation in a hut. Fees will not necessarily be imposed but the minister will have the option to charge a fee. As to the other matters raised, I will provide answers whilst the bill is between houses.

Bill read a second time.

In committee.

Clauses 1 and 2 passed.

Clause 3.

Mr LEWIS: Can the minister tell me what the width of the greenway will be where the definition of 'greenway' is given in the interpretation definitions, especially in connection with the kinds of activities that can be undertaken on it, as outlined in Part A where it involves not only walking but also cycling, horse riding, skating or 'other similar purposes'?

The Hon. I.F. EVANS: I think I heard the member asking what width the recreational greenway will be. That will be negotiated with the landowner and those who have an interest in the land at the time. Obviously, the trail aspect of the recreational greenway would be designed in concert with the environment and the use and, therefore, the width will vary. This is a framework legislation. The width of the recreational greenway will be negotiated with the landowner at the time, depending on the use.

Mr LEWIS: Do I take it that width is therefore indeterminate and can be as wide or as narrow, on discretionary design factors, as two parties agree to, even though it takes no account of the public interest and safety in the process? I know I am allowed to speak only three times so I need to make further explanations of my concern about this matter.

My concern is, quite simply, that on undulating terrain, if there is to be walking, along with horse riding with billycart boots on, instead of fancy rollerblades to which most people in metropolitan settings are accustomed—billycart boots having wheels of much greater diameter so that they can handle rougher terrain—it will be extremely dangerous given that, as I read the legislation, there is no requirement to stay left or to stay right. If horse riders are going down a hill and around a blind corner, they might find themselves confronted with a billycart boot person coming in the opposite direction, there will be a hell of a collision and the width of the trail will need to be designed in a way which ensures that there is one way traffic around blind corners.

I am thinking now of the walking trail on what is called Salt Creek to the Mannum waterfalls and back, and some other places through undulating terrain such as that through which, I am sure, greenways will be established. Even if it is not billycart boots, mountain bikes and horses travelling in opposite directions in heavily vegetated terrain in a winding greenway represent a real hazard, and the width of the trail will need to be sufficient to ensure that accidents do not occur, as I would guess it. I do not know that enough thought has been put into the manner in which accident prevention will be included in the design features of these trails. There is nothing to require the crown or anyone else to take account of any design standards. It is all discretionary.

The amount of knowledge of people to whom I have spoken in the bureaucracy about those matters would cause me a great deal of anxiety given the absence in the legislation of those design features to avoid the hazards to which I have alluded. Can the minister tell me where I am mistaken and that, in fact, standards of design are in place that will ensure that there will not be the kinds of accidents to which I refer? If a horse and a man, or a horse and a woman, whether running, walking or riding a push bike—

The Hon. R.G. Kerin interjecting:

Mr LEWIS: No, a man or a woman. Where someone is riding a horse and they collide with another person on a push bike, who pays for the damages? The taxpayer, the landowner or does the member of the general public cop it sweet? That collision could be at 40 km/h. That is pretty horrendous if one is not wearing headgear and one is riding on a rocky pathway somewhere in undulating terrain. How does the minister propose to deal with those outcomes?

The Hon. I.F. EVANS: I understand that the honourable member is asking whether there are standards for trails for safety purposes. The answer is that standards are in place. The Department for Environment not only manages trails but also the Department of Transport and the Office of Recreation and Sport. There are established standards, both international and Australian, in relation to how to construct trails, the detail of which I do not believe is appropriate to include in this legislation. This legislation is not about setting the standards for the trails but rather a method of registering trails on titles, etc.

However, the honourable member should be aware and take some comfort from the fact that for decades within government procedures have been in place to design trails with an appropriate level of safety. Not all trails will be multi-use, many will be only single use. Appropriate safety measures are put in place for multi-use trails. One example is the Victorian Rails for Trails program with which the honourable member may be familiar. Trails run next to railway lines and appropriate safety issues are addressed. There are well established procedures and standards in relation to trail development and design.

Mr LEWIS: Can I make another attempt to get some clearer definition of what those standards are? Will the minister undertake to provide to the House and, indeed to me, a copy of those standards, or can he say where I can find a copy of them. Can the minister also say—and he has not addressed the other part of my question—who pays for the damages to the injured person who happens to be injured in the collision that occurs between two parties on the greenway? Is it the Crown? Is it everyone who takes their chances and cops it sweet so that you end up with someone, a quadriplegic, with nowhere to go other than to accept a disability pension for the rest of their life?

Is it the landowner or the land occupier—landowner if the land is freehold, land occupier if the land is on a Crown lease of some kind? Who will meet the costs of medical treatment and surgery in serious injuries of the kind to which I have referred that can easily happen on poorly designed trails or just, inadvertently, two people coming to a blind bend at some speed on different forms of locomotion and colliding? It is a worry and I would like the minister to address those two points: first, will he provide me with the written standards to which he refers; and, secondly, who will pay for the injuries and rehabilitation of the injured and the damages that may result, the loss of income, and so on?

The Hon. I.F. EVANS: I am happy to forward to the member information in relation to the standards. Damages and indemnity insurance is covered under clause 16 of the bill. The access agreements—and these are voluntary agreements the landholders enters into on a voluntary basis—must include a statement that those entering into the agreement have discussed the indemnity issue and reached agreement. It refers to waivers, disclaimers and so on, and that measure provides that it is clear in the agreement that that issue has been discussed. Of course, the indemnity issue that the honourable member raised will vary from case to case. So it is impossible to answer who will pay, because that will vary from case to case. We have put in the bill every protection we can in relation to make sure that the process is right so that those who are entering these agreements on a voluntary basis are properly informed and make proper judgments about the risk involved.

I make the point that already with the Heysen Trail and some of the other trails an agreement exists—not in the detail as required under this legislation—with regard to indemnity. Under this bill we are saying that, when we negotiate an agreement with a landholder on a voluntary basis, we have to make sure that they clearly understand the position on indemnity, and that is addressed in the legislation and, therefore, will be addressed in each agreement. We think that process offers the appropriate level of protection to those people who take the voluntary step of entering into these agreements.

Clause passed.

Clause 4 passed.

Clause 5.

Mr LEWIS: I am still wanting to get the standards that the minister has referred to. Under clause 5, we see the proclamations that can be made on the recommendation of the minister to declare that the land of a kind referred to is set aside for the trail of indeterminate width for use by members of the general public or visitors to this state for those purposes. I do not think it is good enough to say that the department has standards and they are well established. I have not seen them, and I do not know where they are gazetted. I do not want to be uncharitable to the minister, but that is just not good enough. It smacks of patronage and clearly indicates that, if he does not have them, it has not been thought through by the proponents of the legislation and/or by the minister's office when he received these proposals. We need them as a parliament. We are making laws that will effect people's lives eventually. Sure as God made little apples and human beings, there will be collisions between users of these walking trails, there will be accidents and injuries and there will be damage. I will come to the other form of damage in a minute.

Clause 5(1)(a) to (e) sets out what can be done on these trails. I presume from that that on a greenway all those activities can be undertaken, even though it says 'or' because there is no mention in the bill anywhere about how one part of a recreational walking greenway trail or whatever it is will be distinguished from a riding greenway trail. What standard signs are there? What attempt will be made to educate the public about it?

Following the continuing anxieties I have expressed about the provisions which are still ambiguously answered, the first question I have is about signs; my second question is about mineral prospecting and mining; and my third question is about damage to property. If people using the greenway stray off the greenway and decide to have some fun, what happens to the landowners' ewes that are disturbed by boys or young men who decide to go skylarking? What it really means is that, if you are a leaseholder of some crown lease and you agree by whatever measures of coercion are used to allow a greenway to cross a paddock, you will not ever be able to put lambing ewes in that paddock, because there will be too much risk of them being disturbed by users of the trail who are curious about what is happening when the ewes are lambing. Anyone who has managed a flock of lambing ewes knows that, the less you disturb them, the greater will be your marking percentage when it comes time to count them out: the more you disturb them, the more will die—the more mismothering there will be and the more loss.

With those questions in mind, under the provisions of the establishment of greenways in clause 5, we see what the purposes will be. I would like to know what are the standards; do you have a set of signs lined up; will there be an education program; to what extent will the public who use the greenway have to acknowledge the rights of the people who own it, or, if they do not own it, occupy the land; what will be the

consequences for the mining industry where a greenway passes over an area that is highly prospective and found to be at some point in time after this day worthy of exploration; and who will pay for the damage to property that is caused by people who are vandals inadvertently and unintentionally or deliberately?

The Hon. I.F. EVANS: There are a number of questions; I am not sure whether I can remember them all but I will make my best attempt. In relation to the purpose of the greenway, under clause 5(4) the proclamation establishing the greenway identifies and specifies the purpose or purposes: that is, it is defined as a walking, riding or whatever trail. Clause 5(a) provides that it can be for any of those purposes or a combination of any two or more of the purposes. It is clear in the act that it can be a combination of those purposes. In relation to whether it is declared to be of joint purpose or of one purpose, obviously the signage and the maps that are produced would reflect that. I will send the honourable member samples of maps relating to the Heysen Trail or the Mawson Trail and how they are designated. A similar method would be used under this proposal.

In relation to the use of the trail or recreational greenway and possible damage to property or lambing, I make the point to the member that these are voluntary agreements and, if a property owner is concerned that there will be damage to a crop or that lambing will be affected, they may simply make a decision not to enter into a voluntary agreement. If they wish to enter into a voluntary agreement, they can write into the agreement suitable measures that they as a landowner (or someone with an interest) thinks are reasonable to protect their economic interest. One of the benefits of this measure is that it is very flexible in its design and we have done that quite deliberately so that landowners can design to their benefit. In that way we may get more landowners involved in what I think it is a very positive scheme. If we had a very rigid proposal, then we think we could get fewer people involved.

The point that the member makes is an issue that has been discussed during the public consultation process. We had about 26 public meetings on this matter, if I recall, all over the state, and the flexibility in the bill allows landowners to design the access agreement—the land management agreement, if you like; therefore, the greenway—to suit their particular economic and land issues, and that is the beauty of this proposal. So, while I recognise the point that the member makes—that those issues need to be addressed—we think there is enough flexibility within the bill to have them appropriately addressed when the agreement is prepared. If people do not want to proceed with the agreement, they simply say 'No' and walk away, and the greenway is not established. That is their democratic right, and that is the exact reason why this is a voluntary scheme.

Mr LEWIS: Can the minister address those matters to which I drew attention with respect to signs, mining and damage to the property? What rights of recovery will the landowner have against someone on the greenway who deliberately or inadvertently causes damage or injury to the landowner's or land occupier's property? Because this is my second go with respect to this clause, I will add in the next question to which I need an answer, and that is: how are the boundaries to be defined in a given locality so that the landowner and the user of the greenway know where the user can and cannot go? They are either on it or not on it. Most people would not otherwise know whether or not they are in the right place unless there is a very clear mark of the trail that is to be followed. I am sure that the minister does not want to produce a situation in which confrontation is a consequence between the landowner and occupier and any one or more of the users of the greenway.

It is better to get these things right in the first instance rather than leave it until some time later on. It is all very well to feel good now, and I know what this means in the way of votes in those seats where the Democrat votes are creeping up to the point where it might be significant. But that is beside the point. We are here to protect the public interest, and my belief is that we need to have clear-cut answers and clear-cut definitions in those matters. So, I repeat: signs, mining, property damage and boundaries.

The Hon. I.F. EVANS: Regarding signs, I assume that the member's question is in relation to who pays for the sign and what signage we intend to erect?

Mr LEWIS: Yes.

The Hon. I.F. EVANS: With respect to who is paying, generally, the government would pay.

Mr LEWIS: I am sure the minister appreciates that different conditions may apply to the greenway when you cross the boundary fence.

The Hon. I.F. EVANS: The member is right: there may be different conditions, although you would try to achieve some uniformity along the greenway for efficiency purposes. But, if that is not possible, if there are different conditions, they would be reflected in the voluntary agreements entered into and then, if there was a need for signage, that would be generally paid for by the government, unless for some reason it was voluntarily agreed by the land-holder that they wanted to pay it, for some reason. But, again, that would be a voluntary decision of the land-holder. In relation to mining, my understanding is that this bill does nothing to take away mining rights. We have had that checked through the Minister for Minerals and Energy (the Hon. Mr Matthew), and he confirms that. So, the member can be assured that that matter has been checked at his request. In relation to property damage, if someone goes out and deliberately damages property they will be treated no differently than if they deliberately damaged property off a greenway. If they deliberately go out and damage someone's property, they will be dealt with under the law as it now stands.

Generally, boundaries will be defined in the agreement and, in trying to take a practical approach as with trails, the boundaries would be defined in relation to geographical features such as fences or known property boundaries such as road reserves, unmade road reserves or existing roads, depending on the nature of the greenway. Where needed, the boundary would have to be clearly marked if that was the requirement of the land-holder. I make the point that my understanding of the agreements in relation to some of the existing trails is that there is an arbitrary figure of 500 metres off the trail where liability picks up. We have tightened that up a lot in the bill through the liability provisions and the way in which the agreements can be negotiated. We think that we better address the issue in the bill than as it stands at the moment. Boundaries will be marked as required by the landowner, who voluntarily enters into the agreement, and as required to properly protect the public from dangers that may be near the greenway.

Mr LEWIS: Under this clause, which provides for the establishment of greenways, will the minister give an assurance that no greenways will be established in or near game reserves and other known sites that are popular with hunters in order to ensure that no conflict arises between

people wishing to hunt and those people who wish to use the greenway, whether for horse riding, skating, and so on? Horse riders do not want to be too near to where people are hunting otherwise the horse can be spooked if it has not been broken into the sound of a rifle shot or a shotgun. Will the minister give that assurance to the committee that such places will be avoided in any attempt to establish a greenway in those general locations, or does that not matter?

The Hon. I.F. EVANS: Of course the safety of people using the trail matters. We are not in the business of putting at risk people who use trails; neither do we want to put at risk people who hunt lawfully. It is obvious to everyone in the committee that, in establishing a trail, whether or not it is a greenway, safety measures for the general public have to be considered, and I have no agenda to establish a recreational greenway that will put the general public at risk, whether that be a walker or someone who is lawfully hunting.

Clause passed.

Clause 6.

Mr LEWIS: Why did the minister, in drafting this legislation, overlook the ways in which people obtain their information in rural areas where a number of these trails are to be established? I know the pleasantries say that putting it in the *Gazette* satisfies the provisions of the law in general, but in this day and age not everybody gets the *Gazette*. A few years back I used to find government *Gazettes* that had become out of date torn up into six by four and hung on a nail behind the door. These days, they cost more, so people cannot afford that and there are not so many *Gazettes* around. There are no more *Chronicles* and, as I pointed out in my second reading speech, the *Advertiser*, which is the newspaper that circulates generally throughout the state, is not taken by many of the people to whom I refer because it is not possible to get it in time to get any value from it. Why was not the clause drafted to include a newspaper circulating generally throughout the area in which it is proposed to establish the greenway, rather than circulating throughout the state?

The Hon. I.F. EVANS: The member for Hammond raises a reasonable point. I am happy to look at this matter between here and the upper house. However, I make the point that we had 26 public meetings all over the state and this issue was not raised. This bill was distributed to members in September last year and, to my knowledge, this point has not been raised by any member of parliament. However, if the honourable member wants to speak to me while the bill is in between houses, I am happy to draft a suitable amendment to cater for his wishes.

Clause passed.

Clause 7.

The Hon. G.M. GUNN: Clause 7(2) provides:

> Where it is proposed to clear a greenway over land comprising a pastoral lease, the minister must serve a copy of the notice referred to in section 6 on the lessee under the lease.

Subclause (3) provides:

> Before making a recommendation to the Governor for the declaration of the proposed greenway, the minister must have regard to all submissions made in relation to the proposed greenway. . .

That is all well and good, but it does not indicate that, if the pastoral lessee is opposed to the proposition, the proposed greenway will not go ahead. It says that the minister has to consult and inform, but the minister does not have to comply with the request of the pastoralist.

The Hon. I.F. EVANS: The honourable member raises a point in relation to access to pastoral lease areas. This clause is designed to make sure that those who have a pastoral lease interest must be notified under the act. So, they are definitely involved in the process. They are given an opportunity to make a submission. On the advice given to me, it is my understanding that section 49 of the Pastoral Act relates to access. This does not disadvantage leaseholders in respect of access to their land. We recognise the point made by the honourable member. We do not seek to undermine leaseholders in relation to their pastoral leases. I know that the honourable member has a special interest in this field, but we have made sure that leaseholders are involved in the process, that they can make a submission to the minister, and that the minister must have due regard to that submission.

The Hon. G.M. GUNN: Let me make it quite clear that I do not want to be here at this time of the morning, but I represent the majority of pastoralists in this state. I had a constituent who, for very good reason, objected most strongly to a character who wanted to go across his property with a string of camels. Unfortunately, a previous minister overruled his decision, much to the annoyance of my constituent. This has always stuck in my memory.

I ask the minister whether he will consider moving an amendment in another place to ensure that the wishes of these people are taken into consideration, because, today, we are dealing with people who have chemical-free, accredited herds because of the demands made by overseas markets, particularly in Europe. They do not want camels and other animals, which are carriers of disease, going through their properties.

Members interjecting:

The Hon. G.M. GUNN: Some members may think this is funny, but I do not think it is, and neither do my constituents, because they do not want people wandering at large, as they would do—

Mr Atkinson interjecting:

The Hon. G.M. GUNN: The honourable member could be a first cousin to a camel, the way he carries on most of the time. I think this is a serious matter and I want an assurance that the minister will move an amendment so that the interests of my constituents are protected.

The Hon. I.F. EVANS: Again, I am happy to meet with the honourable member and work through this. I am sure we can come to some arrangement over a set of words that will satisfy both the proposed legislation and the honourable member. I am certainly not looking to undermine the honourable member's preferred position, but I am happy to meet by the bills between the houses so that we can come up with an appropriate set of words.

Clause passed.

Clause 8.

Mr LEWIS: We note the words the Governor 'may by subsequent proclamation'. Once the greenway is established the minister can vary or revoke the proclamation that has been made to establish it. That is the bit that I am disturbed about. We all know that this is a reasonable minister, but many ministers will come after this minister, and not all of them will be reasonable. I have had a fair bit to do with a good many ministers in the time I have been here, and I find that some are anything but reasonable. In some instances they take 2½ years to agree to meet a deputation of representatives from local government in my electorate, and then they will meet the representatives only if I am not present, even though I wrote to make the original arrangement. I do not call that reasonable and, Mr Acting Chairman, I do not think you would call that reasonable either.

So, I am saying that there are unreasonable ministers who from time to time have occupied office of responsibility

under the Crown. Unreasonable ministers could vary the proclamation made under section 5 without limiting the power to do so, and they can vary the purpose of the greenway. The point I make here is that it is a voluntary deal, so they negotiate with you and the greenway is established if you own the land and, after it has been established, the minister can vary it. So, all the negotiations you went to come to nought, because nothing in this clause requires the minister to go back and negotiate. They can change it to whatever they ruddy well want. I do not see where the legislation otherwise compels the minister to do anything different from what I have just said, and to my mind that is a gross deficiency.

Whilst I have demurred in the interests of harmony in this place in not calling divisions on those clauses, as we go through them I am becoming even more disturbed by the minute, because I seem to have discovered that no standards are set down in law anywhere; there is no requirement on the part of the Crown to erect signs; and, even though the landholder may negotiate for the signs to be erected there, saying what the conditions are, after the proclamation the signs may go up for a week and the minister can then vary it, so the signs will never go up. That will be tough titties, or whatever the expression is amongst cool people these days. It is just too bad; you will just do without. I am sure it is not this minister's intention to do that, but I have talked about the general case. That is what makes me anxious.

Even though one minister can make an agreement through the department with the land occupier or owner, in no time at all another minister a little later in time can come along and vary that agreement, and there is no requirement for the minister to obtain consent from the land owner as to the manner in which the proclamation has been varied. So, all the best will in the world in attempting to indemnify the land owner of risk undertaken by one minister can be wiped out by the stroke of a pen by a subsequent minister varying the proclamation, and there is nothing the land owner or occupier can do about it, it seems to me.

The Hon. I.F. EVANS: It is 1.30 in the morning: I will give an answer and then I intend to report progress. I point out to the honourable member that clause 8(2) provides:

> Except in the case of the abolition of the whole or a part of the greenway. . . is subject to the requirement that the proclamation must conform to the terms of the agreement or the easement on which the original proclamation was based.

So, if the minister was to vary it, it still has to conform to the terms of the agreement or the easement on which the original proclamation was based. So, the point the honourable member makes is actually covered on page 8, part 8, section 8(2).

Progress reported; committee to sit again.

ADJOURNMENT

At 1.27 a.m. the House adjourned until Wednesday 28 June at 2 p.m.