HOUSE OF ASSEMBLY

Monday 29 March 2004

The SPEAKER (Hon. I.P. Lewis) took the chair at 2 p.m. and read prayers.

QUESTIONS

The SPEAKER: I direct that the written answers to the following questions on the *Notice Paper*, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 220, 239, 246 and 249.

HOSPITALS, WAITING LISTS

In reply to **Hon. D.C. KOTZ** (26 February).

The Hon. L. STEVENS: The ear, nose and throat (ENT) surgery waiting list at the Women's and Children's Hospital (WCH) is prioritised by the ENT medical staff on receipt of referrals by General Practitioners. Patients are triaged according to three categories: Priority 1—seen within 2 to 4 weeks; Priority 2—seen within 1 to 3 months; and Priority 3—seen within 18 months.

All priority 1 patients are seen within a period of four weeks and any serious urgent matters are dealt with within a few days. No patient with an urgent ENT condition has been required to wait at the Women's and Children's Hospital.

Over the past year, the WCH has had six vacant ENT sessions and are now starting to fill these vacancies.

In relation to the patient referred to by the Hon D C Kotz MP, his ENT condition was categorised as a priority 3 as his GP's referral did not indicate a high degree of urgency.

The assessment by WCH was made in accordance with protocols circulated to all General Practitioners. If a reassessment is made by the treating GP, indicating a child's condition has become more urgent, the child would advance up the ENT waiting list at the WCH and receive treatment earlier than previously advised.

The Chief Executive of the WCH has contacted the patient's mother to seek advice on the events that led her to seek alternative treatment.

The mother confirmed that no clinical reassessment was referred to the WCH. The mother advised that after receiving the appointment advice from the WCH she contacted her GP and sought a referral to a private ENT consultant.

SPORTS FUNDING

In reply to **Hon. D.C. KOTZ** (23 September 2003).

The Hon. M.J. WRIGHT: The government's commitment to the Sports Institute and its programs remains steadfast. It is not anticipated that any major changes to the number of SASI sports programs would occur prior to the Athens 2004 Olympics, subject of course to the ongoing funding commitments by the external funding partners.

The Australian Sports Commission is convening a national forum in November this year and again in February next year which will make recommendations regarding high performance sport funding and programs for the 2005-2009 quadrennium.

In answer to your question this government is certainly not considering restricting SASI's operations to just four or five high profile sports. The nature and extent of SASI's sport programs and operations will certainly be influenced by the national planning process and the decisions of the NSO.

In respect of staffing contracts I am advised that two SASI coaching staff have recently accepted Voluntary Separation Packages as with employees in many other government agencies. These were in the sports of Volleyball and Track and Field. Both programs had multiple coaches and continue to operate with revised structures. The SASI Diving program had a short term vacancy following the return of its coach to the USA. This has been filled with the appointment of a new Diving Coach in conjunction with Diving SA. No other coaching vacancies exist or are anticipated.

Whilst SASI is likely to be influenced by the outcomes of the Nationally coordinated approach to high performance planning for the 2005-2009 period, it is certainly not planning to discontinue scholarships, funding and coaching for the majority of sports currently funded by SASI unless the respective National bodies withdraw their current funding commitments.

WORKCOVER

In reply to **Hon. I.F. EVANS:** (15 October 2003).

The Hon. M.J. WRIGHT: I have been advised that no company has offered $5 million to exit the WorkCover Scheme.

In granting an exemption to an employer a financial settlement is reached. This involves WorkCover paying an amount to the employer to assume all its existing workers compensation liabilities, prior to the entity becoming exempt.

An exit fee (determined by WorkCover) is subtracted from this amount. The exit fee is designed to protect the interests of employers participating in the scheme.

The WorkCover Board recently announced exemption for Coles Myer, subject to final negotiation of the financial settlement.

Coles Myer will receive a substantial payment from WorkCover—not the other way round.

SOUTH-EAST RAIL PROJECT

In reply to **Hon. M.R. BUCKBY** (26 February 2004).

The Hon. P.L. WHITE: I am advised that the balance of the Rail Transport Facilitation Fund as of
26 February 2004 was $6,149,891.14.

The announcement made on 12 December 2003 referred to in the question, was that the Government had 'resolved to work with the Victorian and Federal Governments, and the private sector, to get the South East rail network re-opened for business', and that the project would be extended to include the network in the green triangle region. The suggestion made by the member that the Government will not proceed to work on reopening the rail network is incorrect.

The Rail Transport Facilitation Fund Act 2001 establishes the purposes for which funds collected under the Act can be utilised, which is explicitly and exclusively for rail projects excluding metropolitan passenger rail services.

POLICE RECORDS

In reply to **Mrs HALL** (3 December 2003).

The Hon. K.O. FOLEY: The Security Intelligence Section of the South Australia Police gathers information and maintains intelligence files on defined dignitaries. Directions to the Commissioner of Police by Government and last amended in 1999 determines a dignitary to include:

- Governor-General of the Commonwealth, Governor of a State of Administrator of a Territory.
- Members of Legislature, Executive Government or Judiciary of the Commonwealth or any State or Territory.
- The Head of State of a foreign country.
- An accredited representative of the head of State of a foreign country.

The Government Directions determine that the Security Intelligence Section may record and disseminate intelligence only with respect to acts or threats of violence against the safety or security of any dignitary. Furthermore, intelligence so recorded may only be disseminated within the guidelines to:

- members of South Australia Police involved in or concerned with the prevention or containment of acts that threaten the safety and security of dignitaries;
- members of Police Forces of other Australian States carrying out similar functions to the Section;
- the Australian Federal Police;
- the Australian Security and Intelligence Organisation;
- any Minister of the Crown;
- any person who, or property that is or may be at risk;
- the Minister (Police), the Commissioner, and Deputy Commissioner of Police, and the Assistant Commissioner of Police (Operations Support Service);
- any such person whom the Commissioner of Police has determined to have proper and legitimate interest in intelligence for the purposes of ensuring the protection or safety or persons or property.

The Security Intelligence Section does not and will not conduct investigations with respect to alleged impropriety committed by State Members of Parliament or any other dignitary. Investigations of this nature are undertaken by the Anti Corruption Branch (ACB) who may further delegate any inquiries that they deem appropriate to relevant areas of SA Police.

In relation to the release of information regarding police investigations, normally such information can be determined for release pursuant to the Freedom of Information Act. However, investigations of State Members of Parliament or any other dignitary undertaken by the Anti Corruption Branch has legislative restrictions regarding the release of information. The Anti Corruption Branch (ACB) is an exempt Agency under Schedule 2 of the Freedom of Information Act access to any files under their direct control would be refused.

The Anti-Corruption Branch of the South Australia Police is responsible for the prevention and detection of corruption by public officials.

Directions to the Commissioner of Police dated 29 July 1999 detail the role and function of the Branch.

In accordance with the Directions the following people are entitled access to the records of the Branch;

- Clause 3 permits the Officer in Charge to report to the Commissioner on any matter relating to the Branch or the performance of its functions.
- Clause 16 permits the external auditor appointed by the Governor to inspect the records of the Branch and report to the Minister his or her findings and recommendations in respect to the operations of the Branch.
- Where corruption cases come within the purview of the Police (Complaints and Disciplinary Proceedings) Act 1985, the Police Complaints Authority (PCA) registers such cases. Upon their completion and referral by the Commissioner of Police pursuant to Section 31(2) of the same Act to the PCA, the latter makes a determination from the investigational files on what outcomes are required.

Documentation and computer records generated during an investigation are retained within the Branch and are only accessible by members of the Branch.

The Anti-Corruption Branch is an exempt agency under Schedule 2 of the Freedom of Information Act and information sought relative to investigations undertaken by the Branch is refused.

Records are subject to subpoena in both criminal and civil jurisdictions. In those instances the documentation is forward to the Crown Solicitor's Office to determine the merits of disclosure and to make appropriate submissions to the respective Court for determination.

Whilst files have not been given to Government there have been instances when respective Ministers responsible for a particular portfolio may have by necessity received a report in relation to the outcome of an investigation.

LAND TAX

In reply to **Mrs REDMOND** (10 November 2003).

The Hon. K.O. FOLEY: I am advised by the Commissioner of State Taxation that there has been no change to the basis of valuation for land tax purposes in recent years.

Units on land over which company titles exist, are classified by RevenueSA as home unit companies because they are established and managed through a company. The company is registered as the owner on the Certificate of Title. A right to the exclusive occupation to a suite of rooms is evidenced by the issue of a share certificate to a purchaser of a unit, or by a system whereby a company leases a unit to a purchaser as evidence of the right to exclusive occupation of that unit. I am advised that home unit companies were common before the introduction of strata title schemes in 1968.

On 2 November 1995, the Land Tax (Home Unit Companies) Amendment Act 1995, was assented to, and took effect from 1 July 1995. From the 1995/96 financial year individual shareholders of home unit companies are recognised as though they are the legal owners of the units to which they have occupancy rights, for land tax purposes.

If, as stated by Mrs Redmond, her constituent's apartment is situated on land subject to a company title it would be liable to land tax based on the value of the constituent's individual unit, rather than a proportion of the value of the entire unit complex. This is of course assuming that the subject unit is in fact held subject to a company title.

Without specific details of the taxpayer referred to by Mrs Redmond it is difficult to provide a more detailed and specific response to her questions. Mrs Redmond or her Constituent could of course write to RevenueSA with the particular details of the case so that RevenueSA can fully investigate the matter and provide a considered response which relates to the facts of the particular case.

STAMP DUTY

In reply to **Mrs REDMOND** (10 November 2003).

The Hon. K.O. FOLEY: I am advised that in relation to real property developments, such as large multi-storey apartment developments, purchasers will ordinarily enter into a contract to buy a yet to be built unit in the development. The unit does not exist until after the development is undertaken and individual titles are created. This is colloquially known as an 'off-the-plan sale of property.

For the purposes of the Stamp Duties Act 1923 ('The Act'), the purchase of property 'off-the-plan' is a conveyance on sale. Accordingly, pursuant toe section 60A of the
act, the value of the property is to be determined as at the 'date of sale'.

The Commissioner of State Taxation ('the Commissioner') has advised me that RevenueSA was advised by the Crown Solicitor that the 'date of sale' of a property is not the date of the contract for sale and purchase of the subject property.

For the purposes of determining the 'date of sale', RevenueSa looks at the date that the purchaser is in possession of an executed transfer, which cannot occur until the relevant plan of division is deposited at the Lands Titles Office by the Registrar-General. the purchaser is entitled to register the transfer from this date.

Often, at the time a plan of division is deposited the land will be improved, and it is upon the improved value of the land that stamp duty is liable to be assessed.

However, the commissioner is aware that, in the case of off-the-plan sales of property, the value of the improved property at settlement may be substantially higher than that value represented by the consideration paid when the purchaser originally entered into the contract. In these circumstances, where the parties to the original contract are at arms length, the commissioner will ordinarily accept, for the purposes of section 60A of the act, that the consideration for the original contract represents the value of the property conveyed at the time of settlement.

The commissioner's Circular No 234, issued on 3 October 2003 advises of the above.

Further, and this is an illustration of one of the areas of benefits of the RevNet system, an assessing guide note has been issued in the conveyance-land area of the very comprehensive guide available to all people who access RevenueSa's internet site.

The guide note makes it clear that in off-the-plan contracts, where parties are dealing at arms length, the commissioner will be satisfied that the value at the date of the original contract will be accepted as the value when property is subsequently transferred, even if that is one to two years later and the value has significantly increased.

Any persons involved with these types of transactions who have any doubt about the treatment of such for stamp duty purposes are encouraged to discuss their particular circumstances with RevenueSA.

ECONOMIC DEVELOPMENT

The Hon. M.D. RANN (Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: Last year, the Economic Development Board released its Framework for the Economic Development of South Australia. The framework made key recommendations about the need for a new approach to building infrastructure in this state. The summit called on the government to adopt a strategic capital investment approach and to establish an Office for Infrastructure to set priorities between competing infrastructure needs and ensure better communication and adequate monitoring. As I have indicated previously, these are among the 71 of 72 EDR recommendations that this government has accepted.

My government is committed to a serious response to the Economic Development Board and the summit and to the provision of the high quality public infrastructure our economy and community require, so it gave me great pleasure earlier today—accompanied by the Deputy Premier and the Minister for Transport—to announce a list of major infrastructure projects totalling more than $300 million. These

initiatives focus largely on integrating our road, rail and shipping infrastructure at Port Adelaide in order to help make South Australia's growing export industries even more competitive. They are aimed at making sure our farmers and major industries such as our car manufacturers, wine producers and other exporters get their product moved from home base through to the Port and then out as quickly, efficiently and as cost-effectively as possible. These actions directly support one of the central EDB recommendations accepted by government—that South Australia target an almost trebling of exports by 2013.

At the heart of the program is a $55 million plan to further deepen, from 12.2 metres to 14.2 metres, the Outer Harbor channel to allow the larger ships now being used across the world to enter our port and dock at the new grain wharf. The business case is being developed and the government will work through arrangements on public and private funding. The assessment of environmental impact is, I am told, also under way. We anticipate that the deepening, which will take about a year, will be completed by the end of 2006. This project will substantially improve the $109 million Outer Harbor deep-sea grain terminal development I announced more than a year ago.

Tenders will be called next week for the $136 million stages two and three of the Port River Expressway, which will include the construction of a new road bridge and a new rail bridge over the Port River, one of them to be known as Power Bridge. The roads and bridges are due to be completed in 2006.

I also announced:

- a $20 million upgrade to the substandard Le Fevre Peninsula rail freight corridor to allow extra freight to be railed more efficiently from Birkenhead to Outer Harbor, which should be completed by the end of 2006;
- a $20 million plan to support Flinders Ports and AusBulk to develop integrated infrastructure services at Outer Harbor for port-related purposes;
- a $43 million upgrade to the South Road north-south corridor to eliminate the bottleneck between Port Road and Torrens Road, with construction due to begin in the second half of next year;
- a $30 million plan to rebuild the Bakewell Bridge, connecting Henley Beach Road to the city, also due to begin next year, which I announced on Sunday with the Minister for Transport and the member for West Torrens, who has campaigned strongly for this bridge to be replaced;
- and I know that the Deputy Leader of the Opposition will be delighted to know that there will be a $2 million government kickstart towards an upgrade of Kangaroo Island's electricity supply, and a $1.5 million all-weather ferry terminal at Cape Jervis—both vital works for Kangaroo Island and its thriving tourism industry.

We are also working with the commonwealth on a plan to build a 22 kilometre-long freeway between the Sturt Highway at Gawler to the Port River Expressway, which will include a widening of Port Wakefield Road. This project is, itself, estimated to cost around $300 million, and that is on top of the $300 million that I have just announced. We have seen the opening up of the new $1.2 billion rail export corridor through to Darwin, and construction has begun—after so many false starts and announcements—on a $230 million redevelopment of Adelaide Airport.

This plan is about making sure that the Port is an integral part of our export infrastructure. First, the railway; second, the airport; next, fixing up the Port. Our exporters must have the best road, rail, air and sea infrastructure available to stay ahead of the game.

An honourable member interjecting:

The Hon. M.D. RANN: I did not see any bulldozers down at the airport in your time in government. There were a lot of announcements and press releases, and a lot of hype, but now we are seeing bulldozers working down there and still in place. South Australia's industries are doing well at exporting products around the world in a highly competitive market, but they need modern, state-of-the art infrastructure.

When the Economic Growth Summit met last year and considered its framework for economic development, it made it plain that the government must provide the means to allow our industries to prosper. We have listened and we have acted, and this infrastructure plan is part of the government's response to that message. Not all the projects will be fully funded by state taxpayers: we will also rely on the commonwealth and the private sector to fund parts of these projects—neither is this an exhaustive list. I will announce several more projects in regional areas soon. These are vital priority projects we intend to undertake in the next two to three years.

However, the clear message from the EDB and the summit is the need for longer term planning for our infrastructure to achieve sustained prosperity and growth. So, the next priority is for our new Office of Infrastructure Development to develop a plan that will focus on projects to support where we want our state to be in the next decade and beyond. That plan, which should be completed later this year, will integrate state, local and commonwealth government agendas, as well as the private sector. It will provide an infrastructure map for the state, with strategic priorities and a better understanding of our assets.

BAKEWELL BRIDGE

The Hon. P.L. WHITE (Minister for Transport): I seek leave to make a ministerial statement.

Leave granted.

The Hon. P.L. WHITE: I am pleased to advise the house that the government has allocated $30 million to replace the Bakewell Bridge and will commence with evaluation of two alternatives—namely, a brand new bridge or a major underpass—with preconstruction commencing next year. The Bakewell Bridge at Mile End carries road traffic between the city and Henley Beach Road, crossing railway tracks for both the suburban rail system and for the Adelaide to Darwin standard gauge line.

Because of the activities of the member for West Torrens, who has been tireless in his advocacy, we have been made aware of the problems with this bridge and have taken this positive measure to ensure that a safe and visually pleasing road-rail crossing is provided. As well as being quite an unattractive structure, the bridge has been accident-prone, having claimed at least four lives in recent years. It suffered extensive damage some years ago, when a freight train, passing under the bridge, derailed and ripped out a line of piers on one side of the track.

Because of its age, the 76 year old bridge has severe structural problems and has required constant monitoring and maintenance. As part of the planning for this project, we will undertake community and industry consultation to ensure that the best option is selected. There will be a public competition to suggest the name for the new bridge. Transport SA will undertake modelling of traffic flows to identify the best

option for managing traffic around the construction site once work commences. Once completed, the replacement for the Bakewell Bridge will be an attractive and effective gateway from the airport to the city and from the city to the beach.

GAS PRICES

The SPEAKER: I received shortly before 1 p.m. today a letter from the member for Bright, the substance of which is that, in lieu of question time today, he wishes to move the following as a matter of urgency:

That this house condemns the South Australian government for putting $64 million of taxpayers' money into national and multinational gas companies to hide the government's bungling of the introduction of open gas pricing.

For the benefit of members, I point out that under standing order 52 when such notice is received the Speaker or the Clerk provides a copy to a minister and the Leader of the Opposition as soon as practicable. I was engaged at that time, after having been involved in a matter with the Department of Foreign Affairs, in discussion with a couple of people, and when I read the motion it was shortly before the house was due to assemble. I had not been aware that, whilst on other occasions such notices are provided to the government by the member or the opposition as a matter of courtesy, such had not happened.

In this instance the chair accepts the responsibility that the earliest practicable opportunity was not as has been most commonly the practice in the past, namely, that the minister did not get a copy of that notice, notwithstanding the fact that the minister is on leave from the house in conference outside the state at this time. Notwithstanding that fact, the proposed matter is in order. For the benefit of honourable members, the standing order relevant to these matters was amended in 1998. Prior to that time it was possible for urgency motions to be taken after the commencement of question time. In 1998 it was decided, for better or for worse, that standing orders would be amended to require an urgency motion to replace question time other than in circumstances where the house chose, as it always can in any case, to suspend so much of standing orders to do as it pleases otherwise.

At this juncture it is important for the chair to point out to the house that, when notice of a motion is provided to the chair, it is the chair's discretion alone to decide whether or not the motion is accepted, regardless of what any other honourable member or members may think to the contrary of the chair's view. It is a matter for the house to decide whether it wishes now to proceed with the motion. The mechanism available to the house is that shortly, when I call on honourable members who support the motion to stand in their place, if fewer than four such members stand then the matter lapses. If four stand, the matter proceeds. Whilst there are other matters that I might have otherwise drawn to the attention of the house about urgency motions, because of the paucity of instances in which the house has resorted to an urgency motion in the public interest over the past six or seven years, I nonetheless will not do so at this point. So, the chair now asks that all members who support the motion to stand in their places.

The Hon. DEAN BROWN: On a point of order, sir, before we proceed to that point, first, there has been an unfortunate breakdown in communication. That takes place, I think, as a result of the change in the standing order that was written in November 1998, where it was assumed that, because the standing order is now so specific, the formal notification came from the Clerk of the house, or the Speaker, through to the government and, on this occasion, that has not occurred. There has been a general understanding, quite clearly, that, in fact, the government should have an hour's notice of such a motion. I propose, and I suspect that it needs a suspension of standing orders to do so because we would not wish to breach the traditions of the house in doing so, that this matter be dealt with at 3.15 this afternoon at the conclusion of one hour of question time, approximately.

It will need a suspension of standing orders to do so. I would propose to do that, and I understand the government would be willing to support that as a motion because, to be fair, the government has not had the one hour's notification as expected under the standing orders that it would have had, had that notice gone through at 1 o'clock. I will move suspension of standing orders now, so that—

The SPEAKER: Order! I am sure that all members have heard the deputy leader and, in the circumstances, the latitude provided by the chair in allowing the deputy leader to do so; and the well-reasoned and mannerly fashion in which he has done so is adequate for the purpose. Accordingly, let the chair indicate to the chamber that it will accept the proposition, come 3.15 or 3.20, that standing orders be suspended and press on without further ado.

QUESTION TIME

WORKCOVER

The Hon. R.G. KERIN (Leader of the Opposition): Will the Premier instruct the Minister for Industrial Relations to fulfil his responsibility under the Ministerial Code of Conduct and provide this house with regular updates on the financial position of WorkCover? Last week when asked for information regarding WorkCover (for which the minister is responsible to this house), the minister responded, 'Ask WorkCover.'

The Hon. M.D. RANN (Premier): There is absolutely no suggestion whatsoever that the Minister for Industrial Relations has in any way breached the code of conduct. The minister will continue to conduct himself in the proper way that he has.

GAS PRICES

Ms BREUER (Giles): My question is directed to the Acting Minister for Energy. What has the government done to minimise the costs to consumers arising from the introduction of gas full retail competition?

The Hon. K.O. FOLEY (Deputy Premier): I thank my colleague for her question, a very positive question about a good news story for the consumers in South Australia. Over the weekend it was announced publicly that this government had intervened appropriately—as good public policy—to ensure that the approximately 350 000 households in South Australia that have gas supplied to them will not, under full retail competition, suffer significant price increases. I will talk about the measure shortly, but we have been able to ensure that consumers, on best estimates, pay around the 10 per cent figure (I am advised) less for gas than they otherwise would have paid had full retail contestability not been smoothed in terms of its affecting consumers.

It is very difficult to predict exactly how much less consumers will pay. There is a varying range of figures, but we think that around 10 per cent might be a reasonable

position to take. Certainly, the advice we are given is that it is somewhere between 5 per cent and 15 per cent. The government is contributing towards the costs associated with the transition to full gas retail competition. There are approximately 341 000 customers in South Australia, of whom over 95 per cent are residential consumers. The government will be contributing towards the additional capital cost necessary in the transition and the estimated additional operating expenses for the first five years—a figure of around $64 million. These are the costs of transition for Envestra, the company that owns the pipes, and REMCO, the company that provides the interface between Envestra and retailers. Under sections 33 and 33A of the Gas Act, I am advised that these costs would otherwise be passed onto the retailers. Ultimately, the government's contribution will reduce the costs of the transition that otherwise would have been passed onto consumers. I have already alluded to that in my opening remarks.

In order to further reduce gas FRC costs, I can also say today that the government has established a joint retail market administrator with the WA government to spread the fixed costs over a larger consumer base. The government's assistance with gas full retail contestability costs is expected to encourage participation in the gas market by other retailers, which should limit future price increases to consumers. It is direct government intervention to reduce the cost or impost on households; and what do we have from members opposite? We have criticism from members opposite about this government's protecting pensioners and households—something that the Liberals in government were unable to do. It is an eminently appropriate application of taxpayers' money in a direct intervention to hold down the price of a gas, and we have a Liberal opposition in this state which criticises it; which wants pensioners to pay more; and which wants consumers and householders to pay more. Of course, they do, because that was their philosophy with electricity: open it up to the market, let market forces dictate the price, government steps back and the poor old consumer can be a sucker. Under Liberals the consumers were a sucker. What we did—

The Hon. DEAN BROWN: I rise on a point of order, sir. Under standing order 98, clearly the Deputy Premier is now just debating the question.

The SPEAKER: The Treasurer is clearly debating.

The Hon. K.O. FOLEY: Thank you, sir, I will come back to the facts. As I said, under sections 33 and 33A of the Gas Act, these costs would otherwise be passed onto retailers. We as a government and the taxpayers are absorbing a cost that otherwise—

The Hon. W.A. Matthew interjecting:

The Hon. K.O. FOLEY: He says that we are subsidising the costs of big business. I say to the member for Bright: turn on the light on top because sections 33 and 33A of the Gas Act mean that these costs, this $64 million, would not be paid for by the private sector companies but, rather, would be passed onto the consumer. Members opposite do not even understand the substance of the matter. What they have not done is say how they would handle it. The only people to bungle things today are members opposite who could not get an urgency motion up in this house at the appropriate time.

FAMILY AND YOUTH SERVICES

Mr BRINDAL (Unley): My question is to the Premier. Why does FAYS entrust young people to foster carers without giving them information that would be critical to the wellbeing of the young person and essential for the protection of the carer? A case has been drawn to my attention involving a young girl who, prior to being placed with a particular carer, on 19 previous occasions had falsely accused others of sexual molestation. The carer had a partner and was also caring for an adolescent male, yet was not told of the girl's previous history until she had accused both males of sexual molestation. FAYS has now decided that the carer is unsuitable because they believe this 21st accusation. The lad has therefore been removed and, because he cannot settle to his new placement, he is now living on the streets.

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I have direct responsibility for Family and Youth Services. The honourable member's question raises the central dilemma of foster caring in this state. It is a dilemma that was uncovered by a report that was commissioned by the member for Finniss in the Semple review—a report that took much of 2001 to carry out its work. It heard many of the views from people in the community who have grave concerns about the way in which our present foster caring system emerges. It concluded its report in March 2002. Its recommendations were picked up by the Layton inquiry and also presented to government.

In essence, it is this. South Australia has a very high reliance on home-based foster care, much higher than any other state. It has at the same time an aging population and a change in household formation which means that fewer people are available to carry out this important work. At the same time, the complexity of the children who are entrusted to the care of foster carers has been increasing. We have a range of children who are presenting with the most complex of needs. I do not know the circumstances of this case and I will ask the member for Unley to supply me with them at the conclusion of question time. The case of this particular foster carer presents a microcosm of what is happening generally within this field. It has been a well-traversed area. It has been well traversed through the Semple and Layton reviews, and it is now time to act on these matters.

I must say that, while it is time to act, it is confusing in the extreme when we have the Leader of the Opposition yesterday calling for a further inquiry; eight years and three reviews he calls for a further inquiry into these matters. This is very confusing indeed. When we do sit down in the context of the budget to come up with the real, concrete solutions to deal with these issues, it causes me great anger to see a $16 million hole in the FAYS budget because of the actions of those opposite.

The Hon. R.G. KERIN (Leader of the Opposition): I have a supplementary question. Does the minister feel that foster carers should be given the type of information that was outlined in the question?

The Hon. J.W. WEATHERILL: My feelings are neither here nor there in this matter. My job is to come up with a system of child protection in this state which meets the need of children and which respects the important role of carers—and, I must say, it is not amenable to glib one-liners from those opposite.

The SPEAKER: I am not sure that that answer satisfies the public interest in the matter.

Mr BRINDAL: I have a supplementary question. The minister referred a number of times to the Layton report. Is the minister aware that Professor Freda Briggs handed to his

predecessor, when minister, preliminary findings on the relationships between FAYS and foster care, in which Professor Briggs says she could find only two people with anything at all positive to say about FAYS? In particular, she uses words like 'bullying', 'arrogance' and 'standover tactics' in reference to his department. How much needs to be done before something will be done by this government?

The SPEAKER: The last sentence of the explanation is a rhetorical question that is out of order.

The Hon. J.W. WEATHERILL: I think I have made it absolutely clear. If you did not hear earlier, I was happy to follow up with the honourable member, with the precise details of his complaint, the issue that he raises. I repeat that undertaking to the house. I think we need to be very clear about the nature of the child protection issue. It is an extremely broad one and it does not simply rest with the Department for Families and Youth Services. That is the burden of the Layton report. The Layton report stands for a number of propositions about how we should improve the child protection system in this state. One of the things that it points out is that, at the moment, FAYS is treated as simply the end of the road, the place where people serve up all the too-difficult issues in this society. One of them is the issue of child protection. It not only suggests that there are serious issues in FAYS. That is acknowledged, and I came into this house last Monday and tabled a report that documents the serious and systemic issues that exist within that department. The Layton report also suggests that it is as much an issue about the way in which every government agency—and not just every government agency but every non-government agency, and other sectors within this community—relates to the department of FAYS as it tries to undertake its difficult work of child protection.

Whenever an issue of child protection is raised in the community, we hear a cacophony of sound. From one side we hear the voices saying that FAYS takes away children too quickly and does not respect the role of the family; and, on the other side of the equation, whenever FAYS go near a child and the child has an appalling accident they are blamed for not acting quickly enough. This issue is much more complex than simply bashing one particular agency; it is about responsibilities of government. It may have escaped the notice of members opposite, but they presided over this system for eight years and, after a further two years and three reports, we have this grand public policy suggestion from members opposite: another inquiry!

Mr BRINDAL: My question is again to the Premier. Does the Premier have confidence in the Layton report given the outcomes of the Family and Youth Services workload analysis project recently completed by Health Outcomes International Pty Limited? The Health Outcomes report reveals serious problems, as identified by the minister, which were not identified in the Layton report despite the fact that the terms of reference for the Layton report required her to do so.

The Hon. M.D. RANN (Premier): The Layton report is a fundamentally important document in terms of child protection in this state. Let us remember that we have committed more than $60 million to this issue. We then went out and hired more than 70 extra FAYS workers compared with the appalling record of neglect of the former government which did not give a damn about the child protection issue.

Mr BRINDAL: I ask a supplementary question of the Premier. Given that the report released last week says that the areas of need in FAYS arose in South Australia and the government has applied the lowest per capita amount in Australia, does the Premier believe that FAYS is being satisfactorily resourced?

The Hon. K.O. Foley interjecting:

The SPEAKER: Order, the Deputy Premier!

The Hon. J.W. WEATHERILL: It is pleasing that, at the prompting of our daily newspaper, the opposition has returned to this debate. This august journal has kicked off an important public policy debate—all credit to them, as the latter-day converts are now interested in this issue. The honourable member quotes from the work force analysis report, but he conveniently ignores an important finding in that report: that is, that FAYS, under its present configuration, was not able to satisfy the consultant who looked into this matter on precisely what resources they devote to a number of these areas. In fact, the consultant was unable to reach conclusions about precisely what resources were needed to meet the relevant needs of the agency.

The report went on to conclude that the issues which confront this agency are so deep and systemic that resources alone will not resolve them. I think the taxpayers of South Australia expect us to come up with a plan which deals with those systemic issues before throwing millions and millions of dollars at them. We have tried—

The Hon. I.F. Evans interjecting:

The SPEAKER: Order, the member for Davenport!

The Hon. J.W. WEATHERILL: —to arrive at an important balance between providing additional resources for this agency to meet its undoubted needs in accordance with its statutory responsibilities in relation to the protection of children, but we cannot confer massive additional resources until we have dealt with fundamental structural issues. There will be further announcements about the child protection issue. As the Premier mentioned, we have applied considerable resources, and further resources will be applied. We will develop a child protection system of which this state can be proud.

CHILD PROTECTION

Mr BRINDAL (Unley): My question is again to the Premier. Since the report released by his government last week states that 'the ratio in South Australia of indigenous children to non-indigenous children involved in notifications, finalised investigations and substantiations in the area of child protection is almost double the national average,' what policies and programs will he put in place to deal with this important issue?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): Last week, through the various media outlets, I drew the public's attention to this appalling statistic that was contained within the report, and I welcome the newfound interest in this topic. This, like all the other issues that are contained within the report, will receive our careful attention. Of course, it will come as no surprise to those opposite, and indeed the whole community, that members of the indigenous community are over-represented in almost every single indicator. This indicates a poor outcome in terms of health and welfare and this, sadly, is another of those statistics. There are, obviously, special issues and needs that have to be dealt with in addressing the abuse that exists in the

aboriginal community and, once again, this is a matter that will have resources applied to it.

We know that a particular subset of this issue is the tragedy that is befalling our children in the AP lands. This government has made it very clear that the current state of affairs and the current pace of service provision in the AP lands is one which is unacceptable. For that purpose we have applied the resources of a coordinator to that site, and indeed additional resources as every government agency provides specific focus for the APY lands. All I can say is that this is another of the issues contained within child protection and it is receiving our careful attention.

Mr BRINDAL: I have a supplementary question. Is the minister aware of the number of homeless children, and their problems, who are living in the west parklands as we speak?

The Hon. J.W. WEATHERILL: I must say that I am gratified that those opposite are paying so much attention to the plight of the needy in our community. It is very pleasing that issues of this sort have now leapt into their consciousness. Perhaps with a few more editorials we will have them talking about issues that they never believed concerned them in the past. The question of homelessness, of course, has an important relationship with the question of child protection. We know that the stability of a home environment is a crucial determinant of the capacity of a child to receive the services, the love and attention it needs within a home environment. So, it is a precondition to protecting children that they have a stable home environment.

I think the situation of the homeless group within the west parklands needs special attention. In the last estimates that we were able to obtain, two-thirds of the people who seem to make the west parklands their home are indigenous people. Some of them are people who have come to the Adelaide region for various reasons and to meet with family and friends, and they come to the city regions without any particular accommodation being organised and choose to use the west parklands as transitional accommodation. We also know that some members of the indigenous community use the west parklands as a place to stay while they receive medical treatment in another part of the city. We know that elements of that community are also, essentially, evicted from accommodation that they are in within the city and choose to use the parklands. Others are there on a more semi-permanent basis. So, there are a range of different factors are bear on homelessness in the parklands.

As part of the dry zone steering committee process, the cabinet, overseen by the Department of Premier and Cabinet, has been looking at a range of measures to grapple with homelessness and the service provision that is necessary for people within the city. The Aboriginal community is obviously an important part of that exercise. We have put in place a range of measures to grapple with those issues. Fundamentally, they focus on the provision of alcohol and drug services; the exploration of the Aboriginal specific services within the city; and also the need for some transitional accommodation for people who are sleeping rough and those who can live in a household.

There is also a need for particular measures to address people with high and complex needs. Often within that population we find people who have a range of difficulties, whether they be mental health issues or drug and alcohol abuse issues. Some have general medical conditions that concern them, whether they be diabetes or other issues. So, a range of complex issues faces the population of homeless people within the West Parklands, and those matters are being sought to be addressed. However, substantial issues surround the supply of suitable and affordable accommodation, and those are receiving the attention of government.

MURRAY RIVER

Mrs MAYWALD (Chaffey): Will the Minister for the River Murray provide the house with details of the decision made last Friday at the meeting of the Murray-Darling Basin Ministerial Council—in particular, the decision regarding the proposal for a salt interception scheme at Loxton?

The Hon. J.D. HILL (Minister for the River Murray): That is a good question, and I thank the member for Chaffey for her strong interest in this issue which affects not only her electorate but the whole state. Last Friday, the ministerial council meeting took place—the first since the historic decision on the Living Murray initiative, when $500 million was agreed upon last year. Already that initiative is delivering results for the River Murray.

As members may know, a trial is under way in a bid to save red gums in the Chowilla area and, at the ministerial council, we heard descriptions of the new fish passages that have been established by SA Water. We were told that thousands of fish are using these new passages to get up the river system and, just today, the first Murray cod was reported to have got through. Additional fish passages will be constructed, and three are expected to be constructed in South Australia by 30 June this year.

An honourable member interjecting:

The Hon. J.D. HILL: The honourable member asked about the barrages: work will be done so that they can be operated at a remote distance, which will mean that they can be used more flexibly, and that will reduce occupational health and safety issues. The budget also contains major works in South Australia, including $21.4 million for a salt interception scheme at Loxton. The state government is putting approximately $5 million into that scheme, and the other partners are contributing $16 million to recognise their responsibility. The scheme will remove 66 tonnes of salt each day from the river, reducing salinity in that area by the equivalent of 16.5 ECs.

The meeting also received a briefing on the outlook of water availability. It is important that the house understand that, on current indications, it is likely that all the jurisdictions of the basin will face some water restrictions from July. As I informed the house last week, there is about a 25 per cent risk that South Australia may receive less than its annual entitlements. Therefore, it is very likely that we will begin the season with some water restrictions, but I am confident that they will be less severe than at the same time last year.

I am advised that the predictions for entitlement flow to South Australia (and this is technical, but I would like it on the record) for 2004-05 is 70 per cent of entitlement at minimum inflows and 90 per cent of entitlement flow at the 90 percentile inflow mark—that is, wetter nine years in 10—compared to the prediction at this time last year of 59 per cent and 75 per cent respectively. The predicted amount in commission storages at the end of the water year—namely, at the end of May—is likely to be about 2 400 gigalitres, or 37 per cent, which is about only 7 per cent better than at the same time last year.

I know that is complicated, but I invite members to read through that passage to get an understanding of what is going on. South Australia's leadership in the fight to save the River

Murray was recognised at the Council by the appointment of the CE of the Water, Land and Biodiversity Conservation Department from South Australia, Mr Rob Freeman, as Deputy President of the commission. Rob is part of the commission's new team under the leadership of the incoming President, the Rt Hon. Ian Sinclair. Last week's meeting was the first meeting for Rob and Ian as Deputy and President, and it was also Don Blackmore's last official function before retiring from the commission.

I know that many members of this house would consider Don Blackmore to be a friend, and many have been advised by him over the years, so I would like to put on the record the government's appreciation and, I am sure, this house's appreciation and also my personal thanks for Don's 20 years of service with the commission. He has been a tireless advocate for the river, and I know that the house will join with me in wishing him and his family well into the future.

ROADS, SOUTH

Mr RAU (Enfield): My question is to the Minister for Transport. What are the implications of today's major infrastructure announcement by the Premier for South Road?

The Hon. P.L. WHITE (Minister for Transport): I thank the honourable member for both his interest and his question. He, along with the member for West Torrens and the member for Croydon, has long recognised and advocated an upgrade to this section of South Road. The $43 million announcement today by the Premier of that work to be done will have a real and lasting benefit for the people of South Australia. This road, as many people who have driven along it here in South Australia know, has some very rough surfaces. It provides no protection for right-hand turning vehicles. The poor performance of the intersections causes heavy congestion during peak periods. There is a high proportion of rear end crashes resulting from queuing at the intersections and unprotected right-hand turn movements into local streets in the mid-block section.

In addition, large stobie poles are located at the kerb and are a hazard to the traffic, and this means that trucks cannot uses the kerbside lane in fear of striking the pole which, obviously, increases the rear end crash problem at the mid-bulk section. In fact, the government regularly receives complaints from the general public about this section of South Road, and during the community consultation phase of the draft transport plan this was one of the major issues raised not only by the freight industry in South Australia but also by the general public. The heavy congestion section between Port Road and Torrens Road is the only remaining section of South Road not yet upgraded.

Honourable members would also be aware that South Road is the main north-south road transport route in the western areas of the metropolitan area and services large movements of passengers and freight every day. It provides a major link between Darlington and Wingfield, with connection to the Southern Expressway and Main South Road to the south and the Port River Expressway and Port Wakefield Road to the north. It is a strategic road that has a significant impact on South Australia's export capacity and capability. It provides connections to major intermodal transport hubs and the bulk of industry activity in the north-west crescent of Adelaide. Improvements to this link will have a significant economic benefit to South Australia, and this is a factor that has been recognised by Business SA, by the South Australian Road Transport Authority and by the Freight Council of South Australia.

Considering the potential growth in commercial vehicles travelling north to south to the west of the city, reliance upon South Road to perform a strategic freight function will remain significant into the future. Infrastructure improvements to this section will greatly benefit freight and reduce—

Mr BROKENSHIRE: On a point of order, Mr Speaker, I ask you to rule on this. The minister is really doing a second ministerial statement. She has already earlier today given a ministerial statement on this announcement.

The SPEAKER: I acknowledge that there seems to be some duplication between the remarks being provided in response to the inquiry from the member for Enfield and those provided by the minister when she made the statement. I acknowledge that point, but it is not outside the purview of the question which, in itself, was orderly. The minister.

The Hon. P.L. WHITE: This upgrade to this very important transport route in South Australia will provide much called for relief not only to the freight industry in South Australia and our export carriers but also to the general public. It will assist many people—not only those people living in the electorates of West Torrens, Croydon and Enfield—who, on a daily basis, traverse this very busy section of road.

CHILD PROTECTION

Mr BRINDAL (Unley): Will the Premier explain to this house why, in respect of child protection, 69.5 per cent of notifications were re-notifications, why of the 2 306 confirmed cases of abuse FAYS was unable to proceed with 25 per cent of those cases, and why FAYS was then unable to complete risk and needs assessment on a further 15 per cent?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): These figures are extracted from the Work Force Analysis Report that was brought into the house last week. I welcome the fact that the member for Unley has now read the report, or at least parts of it. The re-notification issue encapsulates the essential dilemma with this agency, which is finding it difficult to meet its capacity to investigate individual complaints. That situation means that it has very few resources left to undertake proactive work in relation to these particular families leading to the phenomenon of the re-notification.

While that seems, in aggregate, a very bleak picture, there are some particular areas in FAYS, some particular regional offices, that have much lower rates of re-notification. Part of the early work that I have undertaken is to ensure that we carefully follow up those agencies that are achieving much better results than the average, to find out where they are achieving those particular outcomes. It is most likely to be in building the capacity of families and communities to deal with issues. While there is no doubt a need for additional resources, one cannot underestimate the need for systemic reform of this particular department and all other departments that face it if we are going to make a serious difference to these statistics.

Mr BRINDAL: I have a supplementary question, sir. Given the importance placed on re-notifications in last week's report, how does the minister explain that in the Robyn Layton report no mention was made of this vast number of re-notifications, despite her capacity of being able to do so?

The Hon. J.W. WEATHERILL: The honourable member fails to appreciate one fundamental feature of the Layton report and that is that it called for the Work Force Analysis Report. So, the report that documents these matters was the very report the Layton review called for. It is good to see that the honourable member has recently taken an interest in this matter, and I look forward to his constructive contributions. As the honourable member educates himself in this area—and it will be useful to have the opposition constructively engaged on this important question—a moment's reflection on the Layton report would have told him that, indeed, it was Robyn Layton who called for this piece of work which has thrown up the very statistic of which he complains.

ANANGU PITJANTJATJARA LANDS

Mr BRINDAL (Unley): My question is directed to the Premier. Following the report of the Coroner into the deaths in the Anangu Pitjantjatjara lands, the Premier promised to provide seven youth workers. When were those youth workers appointed and how does the Premier explain the delay?

The SPEAKER: Order! The honourable member might note a difference between the standing orders of this place and those of the other place. No explanation prior to the asking of a question is countenanced in this place. While the question is out of order, I will not be pedantic about it. It is a matter for members to first ask the question and then seek leave of the house to explain it, not the other way around. The chair, of course, will not tolerate such an approach in the future.

The Hon. M.D. RANN (Premier): I find this extraordinary. Here we have a government that is prepared to bite the bullet, controversially, to send a coordinator of services into the APY lands. Let us contrast our actions with the years that they were in government.

The Hon. R.G. KERIN: I rise on a point of order, sir. The question was very specific question of the Premier. He should answer it.

The SPEAKER: I uphold the point of order.

The Hon. M.D. RANN: Can I say that when I was minister for Aboriginal affairs I chaired a permanent select committee on the Aboriginal lands, on the Pitjantjatjara lands and also the Maralinga Tjarutja lands which involved members opposite, including the member for Stuart, who was a most valuable member of that committee. What we did was go out into the communities and listen to people and their problems in relation—

Mr BRINDAL: I rise on a point of order, sir. The leader asked you to rule on a point of order—which you did. You instructed the Premier to answer the question, but he is still not answering a specific question: why was there a delay in the appointment of the youth workers which he promised?

The Hon. M.D. RANN: During the eight years plus that members opposite were in government, they refused to allow the parliamentary select committee to visit the lands, and that is the answer you do not want to hear. You wanted to turn your back on what was happening in the lands by not giving those people an opportunity to have their say.

The SPEAKER: Order! I remind the Premier that the chair did no such thing. The remarks all members make must be to the chamber through the chair. I did not turn my back on the Aboriginal Tjarutja lands. Indeed, more than once I called for that committee to meet during the term I was nominated as a member of it. It never did. To that extent it may give the Premier some comfort to know that I share his concern. However, I am not engaging in the debate. He has made such response to the question as is necessary and permissible.

POLICE NUMBERS

Mr BROKENSHIRE (Mawson): Does the Premier stand by all the statements that he made to the South Australian community regarding policing matters on the 5DN morning program of Friday 19 March?

The Hon. M.D. RANN (Premier): I tell you what I do stand by. This is the guilty party on electricity; this is the guilty party on child—

Mr BROKENSHIRE: I rise on a point of order, sir.

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Premier will come to order. The member for Mawson has a point of order.

Mr BROKENSHIRE: My point of order is one of debating. I asked a specific question: yes or no.

The SPEAKER: The Premier must have heard the question. Under standing orders, the Premier knows he must not debate the matter.

The Hon. M.D. RANN: I am very happy indeed to make this fundamental announcement to this house. I stand behind the pledge that I made, not before the election but after the election last year. I stand behind my pledge that the maximum number of police ever employed in the history of the state will be on my watch, unlike members opposite who are soft on law and order, just as they were guilty on electricity and just as they were guilty in neglecting our children.

Mr BROKENSHIRE: Does the Premier claim in this house that the additional police officers recruited during 2002 were with respect to his government's budget and strategy plan?

The Hon. M.D. RANN: I am very happy to confirm that I am told that, unless I mislead this house, we are now at a maximum level of police in the history of this state, and we are going to employ even more. You do not like it, because you do not like the fact that you have been exposed as totally soft on law and order during the time you were in government. You were minister for police and were guilty of neglect in that regard.

The SPEAKER: Order! The Premier will not use the second person pronoun other than to apply to the chair.

Mr BROKENSHIRE: I have a supplementary question.

Members interjecting:

Mr BROKENSHIRE: I just want the facts.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: Order, the Attorney-General!

Mr BROKENSHIRE: My question is again to the Premier. Does the Premier stand by his statements on 5DN, namely, that the additional police who were being recruited and graduating through 2002 were from his budget; or was it from a Liberal government's budget?

The Hon. K.O. FOLEY (Minister for Police): The member asking the question is the ex-minister who is going around saying that the 200 extra police that we are recruiting were somehow part of the Liberal plan. The only problem was that they did not win the election. That is effectively what he is saying. I say to the member opposite: correct me if I am wrong, but that is what I have heard, or words to that effect. When we came into office, we brought down some of

the toughest law reforms in this state, as they relate to the safety of our community. Then, the Premier made it clear that he wanted more police in active service in this state. That is exactly what this government has done. We recall members opposite when in government. When the hapless member for Bright (and we will eventually get to his urgency motion) was the police minister, he presided over a sharp reduction, from memory, in the number of police in this state.

The Hon. W.A. Matthew: You are wrong.

The Hon. K.O. FOLEY: Was it the one before him? It might have been Stephen Baker. Whatever police minister it was, there was a sharp reduction. Under this government, not only have we had a firm policy on recruiting against attrition but we have also added 200 more police. We added more police. The problem for the shadow minister for police is that after two years he cannot get over the fact that he is no longer the minister. He is no longer in government—

Members interjecting:

The Hon. K.O. FOLEY: It is sad to watch the member for Mawson conduct himself as if he were the minister when he is not the minister.

Members interjecting:

The SPEAKER: Order, the member for West Torrens! The honourable Attorney-General will also come to order—and stop eating.

COURTS, FEES

The Hon. D.C. KOTZ (Newland): Will the Attorney-General advise this house whether his statement to the house on Thursday 25 March that South Australia has very low civil fees per lodgment to the Magistrates, District and Supreme Courts, compared to the national average, was correct? The government has recently increased fees in the South Australian court structures. District Court fees per lodgement in South Australia went from $264 to $485. The highest fee of any other state is in Victoria, with $433. The Supreme Court fees in South Australia have increased from $524 to $970. The highest of all other states was again Victoria at $610.

The Hon. M.J. ATKINSON (Attorney-General): I would be happy to check the matter, but my advice is that South Australia had the lowest court fees of any state in Australia. My further advice is that, even after the recent increases, that is, in the last budget, we remain cheap in comparison with other jurisdictions. Nevertheless, I am happy to investigate the member for Newland's claims.

The Hon. R.G. KERIN (Leader of the Opposition): Will the Attorney yet again return to the house and apologise if he is wrong?

The SPEAKER: Order! The question is out of order.

The Hon. M.J. Atkinson: I am happy to answer it, sir.

The SPEAKER: Notwithstanding. The member for Florey has the call.

SOCIAL INCLUSION INITIATIVE

Ms BEDFORD (Florey): My question is to the Premier in his role as Minister for Social Inclusion. What progress has been made in relation to work on the homelessness reference in the Social Inclusion Initiative?

The Hon. M.D. RANN (Minister for Social Inclusion): After setting up the Social Inclusion Initiative when I first came to government, I asked the Social Inclusion Board to look at the issues of homelessness, low school retention rates, and drug misuse. Members would be aware of a number of things having happened, including the convening of the Drugs Summit in 2002 and major announcements in relation to school retention. The government is not prepared to ignore these difficult social problems. This was about cross-cutting initiatives designed to have a partnership with the community on the understanding that you did not have social problems in terms of silos, but that, in fact, there are often many multi-related ways in which these problems emerge and they need a multilateral strategy to deal with them.

So, the Social Inclusion Initiative, headed by Monsignor David Cappo, the Vicar-General of the Catholic Church, has worked hard to prepare recommendations for the government to consider in each of these areas. I am pleased in most respects with the Public Service's response to the social inclusion drug strategy and the multi-million dollar school retention plan which was announced some months ago. I told the Social Inclusion Board that, during the lifetime of this government, we wanted to halve the number of people sleeping rough. Obviously, homelessness is a complex issue, which involves not just housing but also poverty, unemployment, alcohol, drug problems, mental illness and a range of other factors. When I asked the Social Inclusion Board and the other government agencies to deal with this complex issue, I knew it was a tough call, but I believe that, as a government, we have a responsibility to get to the heart of the problem and then do everything we can.

Last year, the Social Inclusion Board provided the government with a comprehensive report containing 37 broad recommendations and a proposed action plan. As an initial response, the government responded by immediately committing $3 million for the implementation of the action plan, with a total of $12 million to be allocated over four years. This is a complex problem. In providing this funding, we anticipated that the programs and services that were recommended by the board and now funded by this government would be rolled out as soon as possible by the government departments involved. This has occurred, and part of this funding has enabled Baptist Westcare to employ extra staff to further enrich the valuable work this service provides daily to hundreds of homeless people in the city. I must say that Baptist Westcare is an outstanding organisation. I always go there on Christmas Day and, together with the Minister for Tourism and Education we serve lunch there, as we do at other places such as the Daughters of Charity.

I am told that more support is also being provided to homeless families to assist them to find stable housing and to help improve the educational and health outcomes of the children of these families. Homeless people with complex and multiple needs who are frequently detained at the City Watchhouse are, I am told, being provided with extra support prior to their release. However, along with Monsignor David Cappo, the Chair of the Social Inclusion Board, I have become frustrated and angry in relation to the speed with which a large amount of this work is being carried out. The government released a clear policy position aimed at reducing homelessness and halving the number of people sleeping rough. We set out a positive course of action to address this serious problem that has been neglected for many years, and I think we are being let down by bureaucratic processes in some agencies which we understand are once again slowing the delivery of this work. Certainly, Both David Cappo and I are angry with the pace of reform in this area.

Last week, I called on the heads of the public service agencies concerned and told them that their jobs were on the line if there were any further unnecessary delays in delivering the programs this government has funded through the social inclusion reference of housing. The strategy is excellent, the money is there, and I will accept no more excuses from any government agency or bureaucrat for delays in implementation.

INTERNATIONAL BED NIGHTS

Mr HAMILTON-SMITH (Waite): Will the Minister for Tourism explain to the house why, according to Bureau of Tourism research, international bed nights in South Australia for the year ending December 2003 have dropped a further 5 per cent from the year ending in June, while international bed nights for the rest of Australia have increased by over 3 per cent and our state's share of the international bed night market remains at its lowest level for seven years, and falling?

The Hon. J.D. LOMAX-SMITH (Minister for Tourism): I would like to look at those numbers because they do not correlate with the ones that have been provided by my department. If the honourable member will provide me with those numbers, which seem to be at odds with the information I have been given, I will be able to explain them to him in a considered manner.

AUSTRALIA-THAILAND FREE TRADE AGREEMENT

Mr HAMILTON-SMITH (Waite): My question is directed to the minister representing the Minister for Industry, Trade and Regional Development, who I assume is the Premier in the absence of the Treasurer. Has the government made any assessment, produced any report or prepared any public advice on the benefits which may be available to South Australian exporters from the Australia-Thailand Free Trade Agreement announced by those two countries on 19 October 2003?

The Hon. M.D. RANN (Premier): I am very happy to answer the question. I congratulate Prime Minister Howard for his negotiations on the Australia-Thailand Free Trade Agreement. This is an outstanding agreement which particularly benefits South Australia in terms of wine and of course in terms of being a major destination—

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: Absolutely. It particularly benefits South Australia in relation to wine and also car exports. I have spoken to the Prime Minister about this. The honourable member would be well aware of the work being done by the EDB and the Export Council, which has been formed. I am happy to ensure that the honourable member is briefed on this matter as well as other trade related matters, because I think the education of all members of the house is most important.

OPEN ACCESS COLLEGE

Ms CHAPMAN (Bragg): My question is directed to the Minister for Education and Children's Services As the minister acknowledged last week that the government will pay any outstanding funds due under the 2000 and 2002 global budgets to the Open Access College, how much will be paid and when?

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): Funding for the Open Access College has been provided under the same formula as I understand it was provided in previous years.

HOSPITALS, BOARDS

The Hon. G.M. GUNN (Stuart): Will the Minister for Health give an assurance to the house that there will be no compulsory amalgamations of country hospital boards and that, prior to any such discussions or propositions, the community will be taken into the confidence of the minister and public meetings will be held? It has been brought to my attention that documents are being circulated around certain rural areas suggesting that there are great benefits in having large amalgamations of country hospital boards. As you would know, Mr Speaker, most rural communities have a strong ownership of their hospitals and have given them outstanding support and that, therefore, their success depends on local community involvement.

The Hon. L. STEVENS (Minister for Health): I can give an absolute assurance that there will be no compulsory or forced amalgamations of hospital boards in country South Australia. That is not to say, though, that local communities may wish to change the arrangements under which they operate.

Ms Chapman interjecting:

The Hon. L. STEVENS: If the member for Bragg would allow me to finish. Of course, the member for Stuart would probably know that over recent years there have been, I think, about 20 such amalgamations and various changes of arrangements that have emanated from communities themselves. I have said to people that I am happy to consider things that they may come up with but only if there has been consultation and involvement, because this government accepts that there is a particular relationship between local communities and their boards. Certainly, there will be no forced or compulsory amalgamations.

SCHOOLS, CEDUNA AREA

Mrs PENFOLD (Flinders): My question is to the Minister for Education. Can the minister advise when the asbestos-contaminated temporary Demac classrooms, placed in the Ceduna Area School in 1978 by the then Labor government, will be removed? Five million dollars was budgeted, and planning finished, by state and federal Liberal governments to complete stage one of a new school for Ceduna—$1 million of this was from the federal government. This Labor government reduced the funding to $3.9 million, including the federal component. When I was in Ceduna recently there was no evidence that the building had even yet begun and I was told that the cost of the tender had now blown out, and further reductions to the already reduced building project are being suggested. It is now 26 years since these asbestos rooms were put there temporarily by the Labor government.

The Hon. J.D. LOMAX-SMITH (Minister for Education and Children's Services): I thank the member for Flinders for her question. I do not know the details that she alludes to or even the veracity of the facts that she has used to explain the question, but I am very happy to look into the matter and report back to her.

STANDING ORDERS SUSPENSION

The Hon. W.A. MATTHEW (Bright): I move:

That standing order 52 be so far suspended as to enable me to propose a matter of urgency for discussion forthwith, and that the matter to stand withdrawn after the expiration of one hour.

Motion carried.

GAS PRICES

The Hon. W.A. MATTHEW (Bright): I move:

That this house condemns the South Australian government for putting $64 million of taxpayers' money into national and multinational gas companies to hide the government's bungling of the introduction of open gas pricing.

The provision of this money by the government is an up-front admission that they have bungled South Australia's entrance to the gas market, and have failed to properly manage this for South Australia. They have failed and bungled in a number of very key areas. The government has ignored advice from the industry that July 2004 is too early a start date because the market rules are not even ready. They have ignored the advice from the industry that it cannot even build its new systems and hire its staff in the time frame available.

The government has bungled by ignoring industry warnings that if the government went down the path of the time frame that it has set, then the cost of establishing the open price market would be higher than it otherwise would be. The government has added to the whole cost of this exercise through its ineptitude. It has continued to insist that a July time frame is the one it wants even though all the industry players cannot understand the government's fixation with this timetable.

By ignoring industry warnings that the time frame does not allow for full testing of its systems, the government is risking the chance that errors will occur after this market goes live. The government has ignored all those warnings—warnings have been given in writing. One part of the market, Envestra, the company that owns the South Australian gas distribution system, put their warnings in writing in a submission to the Essential Services Commissioner on 2 February this year. Envestra said in part:

Uncertainty regarding the go-live date and the market structure, and changes to accommodate evolving Rules have contributed to a. . . solution that is more costly than otherwise would have been the case.

That is a straight bungle by the government in this situation. Envestra goes on to say:

It must be recognised, however, that costs incurred by Envestra may be higher than those incurred under ideal circumstances and Envestra must not be penalised as a result.

Well, they are not being penalised because part of the $64 million handout goes to cover this. This company has put up front that its costs will be almost $30 million to set up its initial entry into the market and furthermore that there will be costs of about $8 million in its first year, recurrent costs, and $5.5 million dollars thereafter. All to be subsidised by the taxpayer. And, of course, this is only for those members of the community who are fortunate enough to have reticulated gas connected to their homes. Vast tracts of rural South Australia do not have reticulated gas, huge sections of the Adelaide Hills do not have reticulated gas, huge sections of the peri-urban area do not have reticulated gas, and large slabs of the South Coast do not have reticulated gas.

The $64 million question must be asked: why is this government prepared to subsidise a smaller section of the community in relation to gas contestability but was not prepared to subsidise the larger section of the South Australian community that has electricity? The reason is quite simple: this is about Labor Party politics, about manipulation of the truth, and about rewriting history. We have a Labor government that on 1 January 2003 presided over the contestability for electricity, and who then tried to lay the blame on the Liberals for the increases in price that followed, that 32 per cent price hike in summer. The Labor government believes that it can get away with that but—surprise, surprise—recent polls have shown that 65 per cent of South Australians believe that Labor bungled; that they got it wrong. And indeed they did.

As a consequence of that, this government has now knee-jerked on this issue but knee-jerked at the last minute, for there is no doubt that on Thursday last week there was an intention by the energy minister to not go down this path. But after questions that were asked in question time on this issue, the minister told the house that it was not the government's plan to play the Liberal Party game of subsidising these companies: it was not going to be doing that. That is what he told this house. Well, the minister must be very glad that on Saturday he was winging it in business class on a flight to Chicago to get away from this, because his backside has been kicked. He has been told by the Premier that it does not matter what he said to the parliament or what he said publicly—subsidy is going to occur. And a $64 million subsidy at that. He must be very glad that he is away from this week's sitting of parliament, in the safety and seclusion of Chicago.

Let us look at this government's track record on matters that relate to electricity. We have seen a lot of rhetoric, and no greater or more memorable statement could have been made by the Premier than the one which he addressed so amorously toward electricity companies. What the Premier told electricity companies was, and I quote:

As far as I'm concerned, these power companies can get stuffed. They are bloodsuckers who are trying to suck the blood out of South Australians.

That is what the Premier said about electricity companies. What has changed? The companies that want to retail gas to South Australians are AGL, TXU and Origin Energy—the very same companies that sell electricity and the very same companies that the Premier said could get stuffed as far as he was concerned. That is what the Premier said.

An honourable member: Stuff their wallets!

The Hon. W.A. MATTHEW: Stuff their wallets—that is what the Premier has done. He has stuffed the wallets of the very companies he said he would stand up to. What has changed? What has changed is that a poll states that South Australians believe that this government has messed up and bungled on electricity prices. The government knows that there is more to come from the community, and so it believes that, by knee-jerking at the last minute in this way, because the opposition was on to its game, and by throwing $64 million into the pot, it will solve the problem. Well, it is not that simple.

While this has been going on, the one thing this government has done in relation to gas prices is to allow unjustified, unsubstantiated increases. Since this government came into power, it has allowed increases in gas prices of almost 12 per cent, which is way above the levels ever allowed under the previous Liberal government. In addition to the 10 per cent

that South Australian gas consumers will still be hit with, gas prices will have gone up almost 22 per cent under this mob, compared to the increases that have already occurred because of the government's bungles in the electricity market.

If the government believes that this smoke and mirrors act will stop South Australians being angry, the only people they are kidding are themselves. They can hide behind their own delusions for only so long, because South Australians will not cop an increase by this government of almost 22 per cent in gas prices, and those who do not receive reticulated gas will not cop having to subsidise those who do.

Of course, another issue could be involved. This government has always tried to blame privatisation for electricity costs, and it tried to pretend that it was nothing to do with the national market. If that is its game and its argument, who privatised the South Australian Gas Company? The Labor Party! The Labor Party introduced the legislation into the parliament for gas retail contestability. The Labor Party has the price setting powers for gas, and it is the Labor Party that bungled this issue.

This government needs to take a big step backwards and look at the demands put forward by the companies—and it needs to look at their warnings. It needs to balance the arguments and allow more time to save money. By proceeding headlong down this path, the government is costing South Australian taxpayers more money than should be the case. Of course, this government is one that bows to ambit claims. I know that the executives of AGL still cannot believe their good fortune at the electricity price rises that this government allowed. We need only to look at what happened in Victoria, where AGL asked for a 15 per cent increase. The Victorian government said that it could not have it, but it gave AGL a 4.7 per cent increase. Clearly, having experienced that situation in Victoria, AGL felt that it would up the ante and went for an increase of 32 per cent in summer. And what happened? The government caved in. It did not try to negotiate it down or say no. The Labor Party in South Australia in government gave that company those increases. The company is still in shock, and it still cannot believe that the ambit claim it made was agreed to. The government rolled over, had its tummy tickled and said yes.

The government's political charade has now been exposed, and this whole exercise has been about politics: it wanted to blame the Liberal Party for increases in electricity prices, and it has been about the deregulated market. Now that the government has been in office for two years, it cannot worm out of the gas price increases that will follow, and it is trying to throw taxpayers' money at the problem.

I find this whole process absolutely repugnant at a time when the Treasurer stands up in this house and puts forward $5 million for hospital operations and says words to the effect of, 'We would like it to have been more, but there was no more money to be found. The Treasurer's cupboard is bare.' At a time when 11 000 people are waiting for hospital surgery, all of a sudden the Treasurer finds $64 million to cover up the government's bungle. He must answer to those 11 000 people who are waiting for hospital surgery. He must answer to the schools that do not have the facilities they seek. He must answer to the communities who seek law and order remedies—including his own community, where tyre slashing is out of control. He must answer to those communities and explain why he finds $64 million for an exercise in politics but does not have the money to satisfy their genuine concerns and needs. He must answer to those South Australians who are paying high electricity prices as to why he has played politics with the price of their electricity and why he is now prepared to subsidise only gas consumers. In the Premier's words, and as far as the Treasurer is concerned, it is South Australians who 'can get stuffed'. The government has stuffed the wallets of the power companies that they previously criticised.

I challenge the Treasurer to tell us in this house why his Premier, on the one hand, tells the companies that, in relation to electricity, they can get stuffed but, on the other hand, in relation to gas, it is 'open your wallet, boys', because the government will pour the money in to ensure that everybody is happy. That is the $64 million question which this Treasurer must answer and about which he must satisfy South Australians. As far as I am concerned, this government will be held accountable for what happens in this debate.

The opposition will need to determine what further investigative measures will need to be taken into this process. Is it a proper process for industry subsidy to occur in this way? That is what this is about: industry subsidy without going through the full processes and rigours of the parliament. This is a huge bungle by this government and nobody else. This government will be held accountable by all South Australians.

The SPEAKER: Before the Treasurer speaks, I tell honourable members that, lest they are mistaken in their understanding of standing order 52, no member may speak for more than 15 minutes. That does not mean that only four members can speak in the duration of the debate, which takes an hour. The chair recognises those who jump up, as the chair first recognised the Deputy Premier in rising to his feet. Thereby, honourable members would understand that the convention in this chamber, since the days of Bakewell a long time ago, is that a member may speak only once: it is not that he or she has two bites of the cherry for 15 minutes, although the standing orders are ambiguous in that respect. The chair's view is that members speak once.

The Hon. K.O. FOLEY (Treasurer): I will find the words of the honourable member, because I thought it was an interesting comment for him to make. He said words to the effect that 'South Australian households will not cop subsidising those households connected with gas.' The Liberal Party of South Australia needs to explain to the 341 000 consumers why, arguably, they would have to pay 10 per cent more for gas than they otherwise would. Members opposite will have to explain to pensioners and to householders why they would have to pay at least 10 per cent more for gas under Liberal Party policy. What one must do is understand what we are dealing with.

This money that we are allocating is not going to the companies. When I say 'not going to the companies', it is money that the companies would have recouped from consumers. As I explained to the house, this expenditure by the companies is passed-through costs. Under sections 33 and 33A of the Gas Act, these costs would be passed on by the retailers. That is, these are costs that are incurred by the retailers. They pass them through to the consumer and get them back from the consumer. So, let us knock on the head once and for all the suggestion that this is somehow going into the bank accounts of the companies for their benefit. It is avoiding—

Members interjecting:

The Hon. K.O. FOLEY: Mr Speaker, I am happy to talk for 15 minutes, but if members opposite do not want to listen, I have far more important things to do, frankly.

The SPEAKER: Order! The honourable member for Unley will come to order. The honourable member for Unley is out of order.

The Hon. K.O. FOLEY: I am happy to keep providing the house with information, but I am not going to waste my time if they are not listening.

The SPEAKER: Members on the government benches heard the member for Bright in silence and the same courtesy should be extended by opposition members to the Deputy Premier.

The Hon. K.O. FOLEY: Thank you, Mr Speaker. As I explained to the house earlier today, these are costs under sections 33 and 33A of the Gas Act that would be passed on by retailers to consumers. We are ensuring that consumers do not have that impost put on them. I think that is a piece of good public policy. I can just imagine what the argument in this chamber would have been. I mean, you cannot win in this business! If we had come in and prices had gone up 25 per cent, the opposition would have said what they did: 'Why didn't you intervene? Why didn't you do something?' Shock: horror! So, when we do something, we get whacked for it.

Members opposite are locked into the mentality of an opposition. They simply oppose everything. We do one thing, they want the other. We do the other, they want one thing. For goodness' sake: how's a bloke supposed to win when, no matter what we do, we get criticism for it?

Mr Hamilton-Smith: Welcome to government!

The Hon. K.O. FOLEY: 'Welcome to government.' I agree with the member for Waite. What an outstanding interjection: 'Welcome to government'! Thank you very much, the member for Waite. He said it all in those words. When you are in opposition you can whack the government from any direction. I should know: I did it for a long time! Now the agenda comes out: this is pay back Foley time for all those years.

Dr McFetridge interjecting:

The SPEAKER: Order, the honourable member for Morphett!

The Hon. K.O. FOLEY: I have to say that I do find it amusing that the one they wish to pay me back on is one that I would have thought they would be pretty happy with, that is, that we have held down the price of gas. When we talk about private sector companies, did it ever dawn on the member for Bright that why Investor or Origin, for that matter, might be saying the things they are saying and why they might (although I am only guessing this) be feeding him information and winding him up is because they have a monopoly? Origin Energy does not want full retail contestability, I assume, because it has a monopoly.

The Hon. W.A. Matthew interjecting:

The Hon. K.O. FOLEY: And investors still have, and I will get to them in a minute. But we know how the opposition likes monopolies: it gave one to AGL. Fancy this lot having a go at me and the government for trying to get competition into gas! They do not like competition: they sold the whole lot to AGL. They did not worry too much about competition when it came to electricity. This is like living in the twilight zone: I do not know what world I am in right now. We are being lectured by a political party that sold a monopoly retail outfit, the retail book of government, to a public company, and here we are trying to get competition.

Members interjecting:

The Hon. K.O. FOLEY: I am trying to put my heart into it, but this is really ordinary stuff.

The Hon. D.C. Kotz interjecting:

The SPEAKER: Order! The honourable member for Newland is out of order.

The Hon. K.O. FOLEY: The decision by the government to encourage competition and have full retail contestability is a consequence of the Liberal Government's decision to have full retail market contestability for electricity. What we do not want to happen in gas is what the Liberals left us with in electricity, that is, one retailer.

The Hon. W.A. Matthew interjecting:

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

The Hon. K.O. FOLEY: This is important for the member for Bright: he might learn something here. If we want AGL, TXU and other—

Members interjecting:

The Hon. K.O. FOLEY: Honestly, sir, if they are not prepared to listen, I have plenty of files I can go and read. I have more important things to do.

Members interjecting:

The Hon. K.O. FOLEY: If you cannot even get your tactics right to have this urgency motion when it should have been held, don't have a go at me! The whole idea of encouraging competition is that companies like AGL and TXU want to take advantage of dual fuel opportunities. That is, to drive down the price of electricity we need retailers to be able to sell both gas and electricity. At present we have a monopoly in gas held by Origin Energy. What we want to do is give Origin Energy competition, therefore we have to encourage other retailers of gas. That is why we are having a competitive market.

It is no surprise; it is pretty logical. We have said, 'Let's move to that.' Origin does not want it, obviously; it likes monopolies. Companies like monopolies. That is why when in government the Liberals sold the lot to AGL, and that is why we are not remotely interested in—

The Hon. D.C. Kotz interjecting:

The Hon. K.O. FOLEY: It is very difficult to give a good debate on this. I can yell, shout and carry on if members prefer, but what I can say is that we have implemented good policy. We want competition in gas, something the Liberals did not want with electricity. To encourage competition you have to have full retail contestability. We have decided that we will meet the capital costs of those companies and the five years of operating costs, so that they do not pass on to consumers the full $64 million. I would have thought that that was pretty sound policy. it makes sense. But at least after today the public of South Australia understands where the Liberals stand, because when it comes to households with gas the Liberal Party of this state wants pensioners to pay more for gas. That is what they are saying here today.

The Labor Party wants them to pay less. I am saying to members opposite that under a Labor government consumers will pay less for gas. As you have heard here today, the Liberal Party does not want to subsidise gas users: it wants pensioners to pay more for gas. What a ridiculous position, except, of course, that that is exactly what they did with electricity. They had a monopoly. That monopoly has seen increased costs for electricity. But to stand here today and be lectured and berated by the outfit that sold ETSA, by the outfit that deliberately saw the increase in power prices due to the revaluation of the assets they sold before privatisation—this is the mob that revalued our electricity assets so

that they could get a higher price, which meant that all the electricity companies could charge higher prices. That is what this lot did.

Members opposite were incompetent in government on electricity: they are incompetent in opposition on gas. Honestly, you could have knocked me down with a feather when I heard the Liberal Party of this state oppose Labor's decision to make gas cheaper. You could have knocked me over with a feather, but then I reminded myself that this is the lot that gave us more expensive electricity. Liberals do not understand power and energy policy; they do not know how to implement it. Just know that, under a Labor government, the price of gas will be less than it would have been under the Liberals.

The Hon. R.G. KERIN (Leader of the Opposition): I must say that I never have much sympathy whatsoever for the Treasurer but, at the moment—

The Hon. M.J. Atkinson interjecting:

The Hon. R.G. KERIN: Are you right?

The Hon. M.J. Atkinson: Just say it.

The Hon. R.G. KERIN: I feel sorry for the Treasurer, because we have seen the body language here. The Speaker correctly said that members opposite had heard us in silence; that is because there are only two of them in here—

An honourable member: Three.

The Hon. R.G. KERIN: Three—and that is because they have been instructed to stay and take the flak for the Minister for Energy, who is not here. The body language of the Treasurer was very much saying, 'Why me? Why did the Minister for Energy make those statements before he went? How many sleeps until he gets back? How do I explain?' This morning we heard the Treasurer on ABC radio get a couple of things wrong, and he admitted that he would have to find out the actual answers. The $64 million question is: why was this money necessary, ever?

Also, why, in the single biggest industry assistance package this state has seen, has $64 million had to be handed to the gas companies? It is not the fault of the gas companies. If this government had focused on running the state and managing the energy situation as we went into competitive situations with gas and electricity we would not need this motion. We would not be in this position. If the government was on the ball we would not have had this present bungle.

The government is sloppy, arrogant and complacent and it does not pay attention to detail. We heard the shadow minister for energy tell us what an investor had said. These costs could have been avoided if this government had addressed the issues, kept its eye on the ball and made the fundamental decisions that needed to be made along the way. Now, it has come down to $64 million to buy this government's way out of a bungle that it has made. But it is not the government's money: taxpayers will have to foot the bill to try to reduce the electoral fall-out with respect to the rise in gas prices. If we believe him, the Deputy Premier tries to make it sound as though gas prices are going down. We saw them increase by 5.6 per cent and now at least another 10 per cent—more than a 20 per cent increase in price.

The Treasurer tries to make it sound as if this were a benevolent government handing out money all over the place. The Minister for Energy could not get his story right. Initially, it was to keep prices down and then it looked as if it was money going to industry. The minister said, 'Oh, we can't have that because of what the Premier said about blood-sucking electricity companies. We can't have that, so let's change the story.' He then said, 'This is not a subsidy on gas.' Despite what they are saying today, this is not a subsidy on gas. The Minister for Energy then changed his mind. He said, 'No, this is not a subsidy on gas: this is a dividend back to South Australians for the windfall tax gains of property taxes.'

Well, sorry about that. If, in fact, it is a dividend to all South Australians, then what the Minister for Energy should have known is that only half the people in South Australia have got reticulated gas. If it is a dividend to South Australians—which it is not—why give it to that half of South Australians who have a choice as to whether or not they use electricity or gas? Last week we heard the Minister for Energy attack the member for Bright over questions he asked in this house about the bungling that had occurred. The minister, in his normal arrogant and derisive fashion, said that they would not be giving money to gas companies.

He accused the opposition of wanting to 'talk up their mates in private business who want to take more money off the energy customers.' He said, 'We will not be doing that.' Just over 24 hours later (and this is a little like what we saw with the AP lands back-down), to control the media, we saw the introduction of a $64 million taxpayer-funded package, a $64 million headline for the Premier and the Treasurer who resisted funding in all other areas. The argument this government has forever tried to represent is that the rise in power prices has been as a result of privatisation. We have heard that time and again and it has been totally incorrect. The experts say that it is incorrect. They know that it is incorrect. It has not been related to privatisation: it is the way in which this government managed the entry into the market. It sat back and allowed the 32 per cent because it thought that, if we had the 32 per cent earlier, it would be easier to blame the last government. That has not worked. The community has not swallowed that one and they will not swallow this one, either.

The consistency of this government's flawed argument that privatisation is responsible has now come back to bite it, because it is now looking at gas prices increasing, and that fundamental question returns: who privatised the gas industry in South Australia? So, if it is privatisation that causes these things, the government needs to take this one on the chin and say, 'This is because we sold the gas company,' but it is not saying that. Let us see some consistency and some honesty from this government about why energy prices in this state have increased. Power has increased because this government bungled the entry into the market. Gas prices have increased because this government bungled the entry into the market. It is about time that the Premier, the Treasurer and the Minister for Energy were truthful to South Australians about why prices have increased.

The reason the government has not put forward the $64 million is that, at the end of the day, it might give some relief, but it will relieve only what would have been added by the fact that this mob bungled the entry into the gas market by not making decisions in time for industry to be able to make the adjustments it needed to make to enter the market.

The Hon. M.J. Atkinson interjecting:

The Hon. R.G. KERIN: No; it is a bungle along the way. The fact is that this government just would not make decisions. The gas industry is very clear that the reason a lot of those extra costs have to be borne is that this government messed it up. What we see now is a $64 million tax-payer funded package to rescue this government from the fact that it bungled—and bungled badly—entry into the gas market.

The Hon. M.J. ATKINSON (Attorney-General): I am one of the 341 000 gas consumers in South Australia, and the Liberal Party has a message for those 341 000 gas consumers, that is, that it would be happy to add, if it were in government, $45 to the gas bill of each of those 341 000 South Australians; or, if they are pensioners, the Liberal Party would be happy to add $37 to their bill annually. That is the Liberal Party's proposal. I do not know how the member for Bright convinced his team—

The Hon. D.C. Kotz interjecting:

The SPEAKER: The member for Newland will come to order.

The Hon. M.J. ATKINSON: —to cling to this position, but it is a commitment from the Liberal Party to increase gas prices for South Australians that we will be driving home in the two years hence. It is just astonishing that the Liberal Party does not think 341 000 South Australians deserve a diminution in their gas prices. In successful western industrialised democracies it is a function of government to facilitate the beneficial operation of the market. In fact, I thought that that is something for which the Liberal Party stands. In fact, facilitating the operation of the market, I should have thought, is something that the Liberal Party would have an advantage in public opinion over my party, but it seems that when a Labor government, what the opposition would call a socialist government, intervenes—

Members interjecting:

The Hon. M.J. ATKINSON: Well, there is disagreement between the member for Newland and the member for Heysen. Apparently, the Labor government in South Australia is to be condemned because it is not socialist in the view of the member for Heysen (who has her background in a Marxist Leninist law firm), and the member for Newland agrees with me immediately that we are a socialist government, so they can sort it out amongst themselves. I should have thought that a Liberal Party would be interested in a government facilitating the beneficial operation of the market.

A decision has been taken that we will have competition for the supply of gas. That is a decision that has been taken. Now, we are using the state of South Australia to facilitate an entry into the beneficial operation of the market. Full retail competition for gas, I would have thought, is something the Liberal Party would support. It is a one-off payment; it is a decision that the government has taken; and it is a good decision. I am rising in my capacity as the Minister for Consumer Affairs because, as the minister, of course, it is a good thing that 10 percentage points are taken off the price of gas for residential consumers here in South Australia, and for small businesses 7 percentage points are coming off what would otherwise be a rise in the gas price in South Australia. Why members opposite are clinging to a position of putting 10 percentage points extra—

Mr Brindal interjecting:

The SPEAKER: Order, the member for Unley!

The Hon. M.J. ATKINSON: The Liberal Party wants to put 10 per cent extra on the gas bills of every residential—

Ms Chapman interjecting:

The SPEAKER: Order, the member for Bragg!

The Hon. M.J. ATKINSON: —consumer here in South Australia. The Liberal Party has been bound by the member for Bright to adding 7 percentage points to the price of every small business consumer of gas in South Australia. Why oh why would this party cling to such an absurd position? Indeed, it reminds me of one of my favourite quotes. It is from Adam Ridley, a British economist, who is a former director of the Conservative Party's research department. Some time ago, he wrote:

> Parties come to power with silly, inconsistent and impossible policies because they have spent their whole period—
>
> *Members interjecting:*
>
> **The Hon. M.J. ATKINSON:** Wait for it!—
>
> in opposition forgetting about the real world, destroying the lessons they learnt in government, and clambering slowly back onto the ideological plane where they feel happiest.

That is what has happened to the Liberal Party here in South Australia. If the Liberal Party were still in government—which they are not owing to the will of the people of South Australia—they immediately would see the benefit of the policy that we have adopted. Indeed, it is only because they are in opposition that they have decided, reflex like, to oppose the government's decision on gas. If we had resisted making this commitment to pay Envestra and REMCO for the costs of moving to full retail competition and had not committed that money, we all know what would have happened: day after day, the member for Bright and the Leader of the Opposition would have been on their feet condemning us for the gas price increase, and condemning us in particular for that part of the gas price increase which is attributable to the costs of gearing up for full retail competition. So, we are damned if we do and we are damned if we don't.

Mr Brindal interjecting:

The Hon. M.J. ATKINSON: And the member for Unley, in his usual painfully earnest fashion says, 'Yes, that's right': the Labor government would be damned if it does and damned if it doesn't. We have made a decision to pay Envestra and REMCO for the costs of full retail competition. We will not allow Envestra and REMCO to pad out the costs of full retail competition. We will hold them to the true costs of full retail competition, and they will be overseen by the Essential Services Commissioner. We will not pay a cent extra than is justified by the costs of full retail competition. So, we will lift the burden from residential consumers of gas, pensioner consumers of gas and small business consumers of gas of full retail competition and, having taken away from them the start-up cost of retail competition and the operating costs over five years of bringing in full retail competition, we will then give them, free of cost, the full benefits of full retail competition.

Experience in the United Kingdom and other states that have full retail competition (and I refer to New South Wales, Victoria and the Australian Capital Territory) tells us that they are looking at savings of between 3 per cent and 5 per cent owing to competition. As the Minister for Energy (who, alas, is away overseas) told us in his news conference announcing this, it is the dual fuel component that will lead to the greatest competition savings for residential consumers and particularly for pensioner consumers. We have seen, even in the electricity market, that there have been savings by consumers moving off the standing contract and taking up the market offers. My household in Kilkenny is one that has taken up the advantages of market competition, and we have shifted our contract from the standing contract with AGL to the contract offered by TXU, and the saving over a year for us is $150, and that is available to families all over South Australia.

So, there will be savings in full retail competition for gas consumers, and the only argument the opposition can come up with is that not everyone in South Australia is a gas consumer. Well, that's a pretty lousy argument. Does the

Liberal Party want to get rid of public transport because people living in regional South Australia cannot take up the advantages of subsidised public transport? I don't think so.

Members interjecting:

The DEPUTY SPEAKER: Order! The house is out of order and getting quite disorderly, and the member for Bragg is leading the pack.

The Hon. M.J. ATKINSON: The one-off capital payment will, over five years, reduce price increases by 10 percentage points for residential and pensioner customers—

Mr Scalzi interjecting:

The Hon. M.J. ATKINSON: —and 7 per cent for small business. The member for Hartley says that that is the theory. I will be happy to discuss this with him in 18 months' time. I say to him: let's have a talk about it then; don't forget; put it in your diary. What we do know is that the members for Heysen and for Hartley, if they got their way, would be adding 10 per cent to the bill of every South Australian residential gas consumer and 7 per cent to the bills of small business gas consumers. The Essential Services Commission will check the true cost of Envestra and REMCO shifting to full retail competition.

The amount that the government will pay must not exceed the Essential Services Commission assessment of the reasonable capital and operating costs of REMCO and Envestra. We do know that the benefits of this payment by the State government would go through directly to consumers. The other reason we are doing this is to encourage other retailers to come into the gas market. There have been benefits, obvious benefits, from more electricity retailers coming into the market to challenge AGL's standing contract.

The Hon. W.A. Matthew interjecting:

The DEPUTY SPEAKER: The member for Bright will listen.

The Hon. M.J. ATKINSON: The householders who are mistaken in South Australia are those who are clinging to the AGL standing contract. I have been trying to persuade my dear old mum to move off the AGL standing contract and to take up one of the offers, as our family has, for TXU.

Mr Brokenshire interjecting:

The DEPUTY SPEAKER: The member for Mawson will not pick on the Attorney's mother!

The Hon. M.J. ATKINSON: The people who are not doing well in the electricity market are those who are not taking advantage of looking at the available retail electricity contracts. We are hoping to get, by this gesture, more companies—companies other than Origin—into the retail gas market. If we succeed, the winners will be South Australian consumers. The Liberal party would deny them that benefit.

Mr HANNA (Mitchell): The government is proposing to hand out many millions of dollars to the gas industry, and I am glad to hear that the government is assuring us that the benefit will be passed on entirely to consumers. They say it is not just for corporate profits. We will just have to trust the government on that.

One of the key issues is in terms of equity across energy provision in South Australia. I have not heard a convincing argument yet, from the speakers on behalf of the government, as to why the money is being paid purely for the benefit of gas consumers. Why not electricity consumers? Even more importantly, why not for those who would wish to source alternative energy sources, for example, solar panels, etc?

It would be possible to have that money available in a substantial way for consumers to choose alternative energy sources, such as solar panels, or other devices, in the same way that the government provided a very small kitty of money to assist people with household appliances to save water use. It would be possible to do the same thing in terms of energy. In one of the sunniest places in the world, it makes no sense not to encourage the use of solar energy further, particularly in terms of our households.

So, there are some unanswered questions, but the bottom line for me is that if I am not in a position to change the energy provision industry, even though there is a lot wrong with it, I have to do the right thing by my pensioners and households in Mitchell. I know that they suffer a heavy burden of electricity and gas prices. Certainly, those factors are the result of decisions made by the previous Liberal government, but on the other hand it has been galling to see the incoming Labor government do very little to solve those industry problems. What they are doing is providing a subsidy for consumers in relation to gas prices (and I have to be grateful for that), but it is a far cry from what we need to do to have an energy supply system across South Australia which is sustainable and equitable.

Ms CHAPMAN (Bragg): The government's announcement on the $64 million bailout package as such not only exposes that there has been gross incompetence in the introduction of open gas pricing but also that it has a spare $64 million to spend. Notwithstanding that, in the past two years the Treasurer has come into this chamber and repeatedly claimed that there is simply no money to cover expenses, there is no money to relieve the level of stamp duty, there is no money to relieve the level of land tax, there is no more money for hospitals, there is no more money to protect our children and there is nothing more for schools. Clearly the government has the money to spend, and it makes a nonsense of the black hole. Let me give the government a few ideas of where it might spend the $64 million in education if it was genuinely, as the Premier has claimed, an education government. Let me start with $3.1 million for extra teachers for every junior primary school in this state and not just a select few that they put in—

The Hon. K.O. Foley interjecting:

The DEPUTY SPEAKER: The Treasurer will come to order.

Ms CHAPMAN: The sum of $20 million could go into providing adequate materials and services charges, including computer access for children in public schools—a subject with which you are familiar, Mr Deputy Speaker—which money currently comes from parents under a new formula which has been introduced in the past 12 months and which has proved to be disastrous. The government could have put in a paltry $800 000 and helped us save the ABC program *Behind the News* and children in public schools could have continued to view that program. I wrote to the then minister and encouraged her to do so—not a dollar.

The government could put up to $40 million into disability education in the state schools and ensure that they are able to provide a service; $11.3 million would provide for special class teachers in every secondary school across the state; and $29.5 million would provide special class teachers in every primary school in the state. What has the government done—

The Hon. K.O. Foley interjecting:

Ms CHAPMAN: No, if you add up properly—

The Hon. K.O. Foley interjecting:

Ms CHAPMAN: The Treasurer obviously needs some remedial classes in mathematics because that adds up, he might note, to about $64 million, but his reaction in relation to disability was to try to crush the Cora Barclay Centre and slash autism funding for children. That is the government's approach to providing for education in this state and, if he wants some other ideas in relation to how to spend the money, there is a $271 million shortfall in relation to maintenance for public schools across this state. If this government was serious about public funding, it would put that $64 million—

The Hon. K.O. FOLEY: Mr Deputy Speaker, I rise on a point of order. Does not the contribution from a member on a substantive motion such as this have to be relevant to the motion?

The DEPUTY SPEAKER: It is not a substantive motion but the member should be relevant and all members should be relevant at all times.

Mr BROKENSHIRE (Mawson): It is common public knowledge throughout South Australia that this government was brought kicking and screaming to deliver the final 200 police that it has announced after two years of continual calling by the community of South Australia, the opposition and the Police Association—

The Hon. K.O. FOLEY: Mr Deputy Speaker, I rise on a point of order. If members of the opposition were serious or fair dinkum, they would be debating the motion. We are now talking about police—what a nonsense.

The DEPUTY SPEAKER: Order! I take it that the point of order is relevance. The Deputy Premier does not have to give a speech.

Mr BROKENSHIRE: Today we have clearly seen absolute bungling by this government when it comes to this $64 million decision, yet we see police battling to get uniforms, overtime being refused, relief pools being pulled back from Adelaide—

Mr HANNA: Mr Deputy Speaker, I rise on a point of order about relevance.

The DEPUTY SPEAKER: There is some latitude in this sort of motion. The member for Mawson should not stray too widely, but the chair is tolerant of some flexibility.

Mr BROKENSHIRE: The relevance is there. The fact is that the $64 million that the government is announcing to fix its bungled mess on gas pricing could have been better spent. For example, they could have funded 140 police each year for the next six years and provided more police cars in the community, instead of having situations like those we have seen in the southern and northern suburbs lately where they only have one to 1½ police cars able to go out to youth and gang activities. They could have put that $64 million into addressing the problems that we have with drugs or providing serious police resourcing against bikies or addressing major problems with domestic violence. We saw no action by this government when it came to spending the millions of dollars urgently called for in the South Australian community to help all South Australians when it came to two years of—

The Hon. K.O. Foley interjecting:

The DEPUTY SPEAKER: Order!

An honourable member interjecting:

The DEPUTY SPEAKER: There will be a few members leaving, not just the leader. Members have the prerogative of staying in the chamber or not. The member for Mawson.

Mr BROKENSHIRE: Dollars have been urgently needed before this $64 million bungle—and the Treasurer knows it—but the government would not deliver on essential requirements for the South Australian community and they provided no action for police protection of the community. The so-called tough Treasurer clearly identified today in this motion and in the media this morning that he had very little knowledge—if not no knowledge—of the matters relating to this bungle with the gas prices and the input into these companies of $64 million of taxpayers money, but he was ready to sign off on this $64 million within a day, having done very little homework. Again, it is another knee-jerk reaction by this government. This government has bungled and they know it. They put in immediate action to try to address their bungling, but they have not had their eye on the ball, and that is why they have failed with gas and electricity pricing.

Members interjecting:

The DEPUTY SPEAKER: Order!

The Hon. DEAN BROWN (Deputy Leader of the Opposition): The facts are clear. This government has bungled the gas pricing process. They rushed in on the day—when there is to be open contestability on price—and the companies themselves have highlighted the extent to which that action has escalated the price. Now the government, having bungled the process, is having to inject $64 million for less than half of all households in South Australia to cover this. What about the people in my electorate and so many other areas who have contributed to the taxes of this state? They will get none of the benefits from this subsidy to cover the bungle by this Rann Labor government.

It is appalling that a government should use taxpayers' money in such a frivolous way when there are far greater needs in the community such as the 11 000 people on waiting lists. People are having to wait two or three years just to get their tonsils removed, and many people who urgently need a hip replacement cannot get it because the money is not available, and the Treasurer has said that children who are at risk will continue to be at risk because the government does not wish to give FAYS money for extra staff. We know how he turned on the PSA regarding that particular issue. Yet, this government, to save its own political neck, is willing to put $64 million into large national and multinational companies to prop up their profits. This is an absolute disgrace!

Honourable members: Hear, hear!

The DEPUTY SPEAKER: Order!

Mr Brokenshire interjecting:

The DEPUTY SPEAKER: Order! The member for Mawson has had his say. The motion is withdrawn.

GRIEVANCE DEBATE

FAMILY AND YOUTH SERVICES

Mr BRINDAL (Unley): In question time today, the brand new minister for Family and Youth Services accused me of coming latterly to this matter. I have some time for the minister, so I will accept his apology later in the proceedings when he learns that journalists will collaborate in saying that I had discussions with them about FAYS and children at risk in January and February 2003. When the minister goes to *Hansard* and sees that, on 21 and 23 October and 11

November last year, I made speeches about this matter, I will therefore gratefully accept his apology for saying that I have no abiding interest in this and come to this matter lately. I am glad he is in the chamber, because I wish to share a story with him which I think shows the ineptitude of the department over which he is now presiding. It concerns a teenage girl (whose name I will not mention, but I can give to the minister later) who was placed with a carer who had been a carer for some decades and had a successful history of caring for children of this type. At the time, the carer had in her care a young lad who was doing exceptionally well and was on track for a good career. The girl was placed in the care of this carer, but FAYS simply neglected to tell the carer that this girl had to her record 19 unsubstantiated reports of sexual molestation against a whole variety of people until such time as the girl first accused the young lad of sexual molestation. From memory, I think that that was thrown out. However, finally she came to accuse the carer's partner of sexual molestation, a matter I am assured by those who would know would have been medically impossible for the gentleman concerned. However, I will not go into that here. Suffice it to say that, for some reason, FAYS then chose to listen to the 21st allegation—for some reason that was a real one, even though the other 20 had all been fabricated—and took the child away from the carer and also subsequently took the young lad out of their care and put him into another foster home where he has been so unhappy that I believe he is at present basically on the streets, and all the good work that had been done has been undone. Incidentally, both these two young people had different caseworkers, and the inconsistency across FAYS is referred to in the report referred to by the minister yesterday.

One of the girl's jealousies, supposedly, was that she was getting a level of care—and a level of non care—from the Enfield office, I think it was, while he was associated with, I think, the Elizabeth office, and was getting a totally different level of care. Anyhow, she made the allegation and subsequently wished to withdraw it. It has been alleged to me that she was told by her social workers that she could not withdraw it, even if was not true, because she would then be in trouble. They threatened her with perjury and all sorts of things to keep her sticking to a story she said was fabricated. The result was that she took Panadol and presented to the hospital. Unfortunately she had also had milk, and I believe one of the symptoms was vomiting. I make no criticism of the hospital because she was discharged 24-hours later, because I do not think that the hospital knew it was a suicide attempt.

However, shortly after discharge, within 24 hours, she made a better job of it: she took 72 Panadol and was readmitted to hospital and died of liver failure, which is a dreadful death, some days later. She said quite clearly to a number of people prior to dying that the reason that she had taken such drastic action was that she was sorry she had lied and had caused the problem, and that she had taken such precipitant action because she thought it was the only way to get out of the situation she felt trapped in. That comes right down to the handling of this situation by FAYS and the death of a child, and I would like—

The Hon. J.W. Weatherill: And a false complaint.

Mr BRINDAL: The child might have made the false complaint, but she wanted to correct it and your officers, minister, said no. If that is not a problem for this state, I do not know what is.

YOUTH, DEBT

Mrs GERAGHTY (Torrens): I would like to take the opportunity to address the issue of debt levels amongst young Australians. The trend towards previously unheard of levels of debt incurred by young people is an extremely worrying phenomenon with an impact that affects not just those young people who incur what is quite often a very unmanageable debt, but also their parents, or their grandparents or guardians, when these young people cannot meet the repayments.

I recently met with a constituent whose 19 year-old adult child had incurred debts in the order of $27 500. These debts were incurred within the space of just over a year and were a result of obtaining credit from a range of financial institutions. The debts were also nearly $10 000 in excess of her annual income and were on the brink of being out of that person's control. Fortunately for this young person the outstanding amount was consolidated through a personal loan which was taken out by the parents and which is now quite steadily being paid back.

Unfortunately, this did not make the situation any less harrowing, and experience of my constituent and his child is by no means isolated. There have been numerous reports in recent times of spiralling debt levels amongst young Australians, and these debt levels are both attributable to the ease with which access to credit can be had, and are also indicative of a real lack of understanding of the consequences of incurring debt on the part of young people. Research conducted by the New South Wales Office of Fair Trading made the finding that young Australians aged between 18 and 24 have incurred debts which average approximately $6 000. In addition, the average debt for those aged 16 to 18 averages over $3 000. Interestingly, and certainly alarmingly, a key finding of the research was that young people saw ownership of items such as a car and a mobile phone as a lifestyle necessity. It goes without saying that, whilst the purchase of these items is made quite easy, the maintenance of them is expensive and—more often than not—stretches the means of that young person to accommodate them.

The New South Wales Office of Fair Trading found that strong group peer pressure to conform was a significant factor in making the decisions that incurred these often quite unsustainable debts. It is a great concern that social pressures operate in such a way as to lead to poor financial decisions and the repercussions that accompany them. Admittedly, peer pressure is a phenomenon as old as the idea of society itself; however, the aggressive marketing tactics and the relentless pursuit of profit which are the hallmark of our particular society mean that these social and peer group pressures are now manufactured and implemented with greater force than ever.

The desire of young people to be included within a peer group is often a driving factor in the decisions that they make, and when an image which allows them to satisfy that desire is available for purchase it is not surprising that such a decision will be made impulsively. Mobile phones are now an inseparable part of youth culture and mobile phone debt is also the most significant form of debt incurred by young Australians. While it must be acknowledged that responsibility on the part of young people for the decisions that they make cannot be divorced from discussion of this issue, there seems to be very little forewarning of the actual cost of having and using a mobile phone at the time of signing a contract of purchase.

ISOLATED CHILDREN'S PARENTS ASSOCIATION

Ms CHAPMAN (Bragg): Last Saturday I had the privilege of being a delegate at the Isolated Children's Parents Association of South Australia annual state conference at Hawker. I was pleased to note that also present was the Hon. Graham Gunn and his wife, Graham not only being the member representing the area but a parent. I refer to them by name because their children were raised and educated in an isolated community. The concern that I have in raising this issue today is that not one state government representative was there, notwithstanding their invitation to do so.

I place on record my appreciation to Jane Gloster, who for two years has admirably represented the association as chair. She has just concluded her term, and she has been a marvellous advocate for this association to both the federal and state governments, and, as shadow minister for education, I have valued her contribution in that regard. While expressing my great disappointment at the absence of a state government representative, at least Mr Barry Wakelin, the federal member for the area, was present to represent the federal government. Why was there no representative of the state government, notwithstanding the fact that some departmental representatives were in attendance? That is because the issues on the agenda were clearly of embarrassment to the government.

The association passed a resolution to write to the Premier to ask why the former minister did not respond to the association's correspondence and concerns over the last two years, a damning indictment of the conduct of the previous minister. Those concerns are many, and let me focus on at least one in the time available to me today. I refer to the global budgets for the Open Access College. This college has some 2 000 students across the state. They range from students who are living on stations to those attending schools that do not have sufficient staffing numbers to be able to provide an extensive range of subjects. The township of Marree, for example, does not have any year 10 and year 11 teachers, so students have the opportunity to undertake their education through the important facility of the Open Access College syllabus and program.

Over the last two years, the association has repeatedly put submissions to the government to clarify its funding. It was on a three-year program from 2000 to 2002, for which it had a global budget. The government consistently failed to sign off on this, and now we are moving into the 2003-05 period, and the government has consistently failed to sign off on that. It has survived by ad hoc grants at the government's election as to what projects it thinks should be provided. Now the Open Access College is facing the threat of cuts to its programs because it does not have the funds and it is owed a lot of money.

The new minister sent a message to the conference via a departmental officer that a letter has been sent—it is in the post—apparently acknowledging that money is owed to the Open Access College, but no detail was provided as to how much or when the funds would be paid. Today I asked the new Minister for Education to identify how much will be paid under the global budget for the 2000-02 period, for which it has been acknowledged that money is outstanding, and I asked when it will be paid. What did we have in response from the new minister who does not have a clue what is happening in this area, notwithstanding allegedly having last week signed a letter directed to the college? She claimed that the Open Access College will continue to have funding as it has in past years. That is a complete contradiction to what purportedly she has acknowledged will be remedied, that there will be a payment to the Open Access College.

That is just one of the serious issues that has been raised by this organisation over a number of years. It has not been answered. The association got a half-baked answer at the conference and now there appears to be a complete backflip in today's question time. I urge the new minister to get abreast of this issue, to respond to this parliament and to respond to the 2 000 children who rely on this service and deal with it. There are other important aspects, such as the Distance Education Supervisor Training Program. Please, minister, get across this issue and respond to these people urgently in need.

YOUTH WEEK

Ms THOMPSON (Reynell): I rise today to mark the fact that we are in the middle of Youth Week, which runs from 27 March to 4 April. In reflecting on the topic, I thought about how much more complex life is for young people today than it was in the easy days of my youth. I left school at the age of 15; at 16 I was allowed to have a driver's permit; and at 21 I was allowed to vote and to start drinking publicly, and that was also the age at which most young women got married. We had quite a protected period from the time we left school. Almost all of us went into work immediately and started to contribute to the family income—or certainly in the sorts of families with my family's level of income—and that income was extremely important to the family's survival. The rites of passage were very clear.

Today, we need most young people to stay at school until the age of 18 if they are to acquire the skills needed to cope in today's work force. We need far more people to go on to TAFE or to university. Back in the 1970s, only about 5 per cent of the community went to university when I did. Today, the British Prime Minister announced that, in 10 years, he wants 50 per cent of young people to engage in post secondary education. If we had a Prime Minister who paid as much attention to such issues, he might make the same sorts of announcements.

Young people are still at school when they can drink legally in public, and they are often still at school when they start to make important decisions during election campaigns. The rites of passage are not nearly as easy or as simple for them as they were for those of a couple of generations before them. In her debate, the member for Torrens drew attention to the issue of mobile phone debt and of young people getting caught up in this problem. Their parents often want them to have mobile phones for safety reasons, because they do not feel safe in our community. Yet they are also a very seductive device, and young people can incur considerable debt.

Therefore, it is very important that we support Youth Week as a time when we can celebrate young people's achievements. We can also offer them support in the rites of passage and the very elongated transition that they now undergo. I am very pleased at the way the minister and the Office for Youth have supported this year's Youth Week, with grants totalling $100 000 being made available to 55 councils to enable them to mount special programs. I think it is important that I do not understand some of the things in that program, as that was certainly what older people said when I was young—that is, they could not understand what we were doing—so I am glad that that tradition is continuing.

I have no idea what Insomnia 2.0 is about, nor do I know what a LAN party is.

Nevertheless, I will be pleased to hear about some of the activities that go on and to participate in some of those in the Onkaparinga area. As usual, I congratulate the City of Onkaparinga for the way it has demonstrated its commitment to young people in the south with the great range of activities it has mounted. Indeed, I see that it is mainly regional councils that have taken up the challenge to involve young people in Youth Week. Whilst all city councils have also done so, their programs are much more limited than those of the City of Onkaparinga and many regional councils. Last year, the City of Onkaparinga introduced youth recognition awards to recognise young people's achievements and contributions to the community. This was a very important event, and I hope to participate this year, although I think that parliament is sitting at that time. However, I look forward to participating in the Onkaparinga Young Idol competition on Saturday night.

Mr Caica: As a contestant?

Ms THOMPSON: No, I will just be an enthusiastic member of the audience. I will be very interested in what these young people are able to display, because I know that we have some incredibly creative people. There are about 10 events. I wish to congratulate Ksenija Bould, Community Development Officer, Youth, for her excellent program and the support that she has given to the community.

Time expired.

POLICE NUMBERS

Mr BROKENSHIRE (Mawson): There seems to be a growth in the number of members of this government getting onto the airwaves, into the print media and appearing on television, or wherever they can, to say things that are not factual. It was really disappointing to read the transcript from the morning program on 5DN on 19 March. The Premier was a guest on that program and he made a number of claims about police numbers and policing in this state. There are a couple of statements, in particular, that absolutely need to be corrected. I hope that the media will in the future look at what all government members and ministers, in particular—including, in this instance, the Premier—say when they are on radio and television.

The Premier told the tens of thousands of people who listened to the program that morning that when I was police minister I cut the number of police. That is just not correct. In fact, if one looks at the years when I was police minister, one will see that there was growth year in, year out. I will give some examples of that growth. The police force went in strength from 3 476 in 1999 to 3 512 in 2002. In 2001 it had risen to 3 601 and by 30 June 2002 it was 3 749. During the term of office of our Liberal government, there was a net increase of 109 sworn police officers and 184 non-sworn staff; in other words, administration support, through the Public Service. That was a total increase of sworn and non-sworn staff of 293 under our government.

It is not acceptable for the Premier, or any other minister, to get on the airwaves, in the print media, or wherever, and say that a previous minister cut police numbers when, in fact, the opposite occurred. That was not all that was misrepresented to the community at the time. The Premier then made some comments about the growth in police numbers after the Labor Party took office. He implied—in fact, he expressed the view—that that was as a result of the Labor government. That is an absolute nonsense. The fact of the matter is that the increase in police numbers, either through graduates from the academy or as a result of being funded, was as a result of Liberal budgets. When I was minister, on one occasion the recruitment of some 113 extra police officers was announced, through the Premier's task force, and another 90 were announced by the Liberal government in the budget year 2001-02.

I think that, in order to have fair debate and to stop hoodwinking the South Australian community, the community and the media should demand more of the members of this government than for them to go around whenever it pleases them and misrepresent figures and make statements that simply are not accurate. I will stand by the record of the Liberal government, in the years that I had the privilege of being police minister, any day and back it against any figures that this Labor government has purported to deliver with respect to police. In fact, as was said earlier today, the 200 extra police that have been recruited now have been recruited only because we spent 18 months pointing out to this government that its policy of recruiting only at attrition was not acceptable. After about 18 months of that, the police association started to place full page advertisements in the paper, the petitions began to appear in parliament and, finally, we pushed this government, kicking and screaming, into delivering extra police.

They are the facts of the matter. Anything else that this government wants to say in the media is not accurate at all, and I was disappointed that the Premier would not today put on the public record in this parliament that his allegations that I cut police numbers when I was police minister are incorrect, and that the additional police recruited so far are as a direct result of the former Liberal government's budgets and strategies.

The final point I make to back that up is to say, 'Read the estimates committees transcript in *Hansard* last year', which was a Labor government budget. The government admitted—only when the Commissioner pointed it out to the police minister, who did not even know—that the only net increase in police numbers by the Labor government was seven last year. Just seven: not the 103 that the Premier claimed.

DRUGS

Mr SNELLING (Playford): I received an email from the Drug and Alcohol Advisory Council of Australia, outlining some of the dangerous new party drugs that have come onto the market. There are two new drugs. One is called GBH, standing for 'grievous bodily harm', which seems an appropriate name. Why anyone would take something with such a name, I do not know. It has led to a number of young adults being hospitalised in Melbourne, with one in a critical condition. GBH, and I quote from the email, 'causes depression, seizures, tiredness, intoxication, aches and unconsciousness', and doctors have warned that it is only a matter of time before a death occurs.

The other drug that has come on to the market is known as ice. Its real name is crystal methamphetamine, and it has been used in nightclubs. It is described as being a kind of super speed and is about 80 per cent pure, so it is of very high potency. It tends to make users, and again I quote from the email, 'very aggressive and erratic, causing delusions, extreme paranoia, psychosis, depression, suicide and hypersexual activity.' According to one drug agency, half a million Australians have used ice and it is now the second

most popular drug behind cannabis. I just draw these matters to the attention of the house.

I note the lengths that the government has been going to in tackling drug abuse and the underage use of licensed premises, particularly nightclubs, and I welcome those. But these new developments are of grave concern to parents. I hope that the predictions of the dangers that these pose are not realised. Unfortunately, I strongly suspect that it will not be long before we have young people dying or becoming being gravely ill through the use of either of these drugs.

Time expired.

PRIMARY PRODUCE (FOOD SAFETY SCHEMES) BILL

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries) obtained leave and introduced a bill for an act to provide for food safety matters relating to the production of primary produce; to repeal the Dairy Industry Act 1992 and the Meat Hygiene Act 1994; to amend the Prevention of Cruelty to Animals Act 1985; and for other purposes. Read a first time.

The Hon. R.J. McEWEN: I move:

That this bill be now read a second time.

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

Leave granted.

This Bill is about maintaining the excellent reputation of food produced in South Australia, and with the Food Act, providing a legislative food safety framework that underpins the whole food chain in South Australia.

The Bill will consolidate existing primary industry food safety legislation into one Act and extend this legislative framework to all primary industries to enable the implementation of new national primary production and processing standards, to manage significant food safety risks and provide opportunities for industry to voluntarily lift their own food safety standards.

In South Australia the *Food Act 2001* is the primary piece of food safety legislation and provides the framework within which all food safety and suitability issues are regulated. The Act requires that all parts of the food industry, including primary industries, produce safe and suitable food or face significant penalties. The Act provides for extensive powers to prevent or mitigate a serious threat to public health and this includes the power to apply emergency orders to all parts of the food industry, including primary industries. However the Act has limited the application of parts of the Act with regard to primary food production. This Bill will complete the legislative framework for primary food production.

South Australia has successfully implemented mandatory food safety programs and hygiene standards in the meat and dairy industries under the *Meat Industry Act 1994* and *Dairy Industry Act 1992* and a risk management system for growing shellfish as a condition of licence under the *Aquaculture Act 2001*, and is currently extending this system through harvested shellfish as a condition of licence under the *Fisheries Act 1982*.

These Acts contain legislative elements not included in the *Food Act 2001* such as significant provision for consultation with stakeholders; recognition of industry food safety systems and programs; an ability to accredit businesses; an ability to manage delivery of audit services and an ability to implement food safety systems to underpin access to markets. To incorporate these legislative elements in the *Food Act 2001* would require amendment to that Act. It was decided to consolidate primary industry food safety legislation into one Act rather than reopen and amend the recently passed Food Act.

In October 2002 the Government released for public consultation a discussion paper "Legislation for implementing food safety systems in the primary industry sector to support trade, industry development and public health outcomes".

Key elements for effective food safety legislation identified by industry through consultation were strong industry involvement; recognition of industry risk management systems; avoiding duplication of audits or inspections; cost effective administration; making public health the clear priority while allowing trade food safety issues to be addressed; having government and industry meet their own respective costs; and following national standards.

On 1 December 2002 the *Food Act 2001* was proclaimed along with the *Food Regulations 2002*. The regulations included recognition of the *Meat Industry Act 1994* and *Dairy Industry Act 1992* as these industries were deemed to comply with the outcomes required by the new national food safety standards.

In November 2003 a draft Primary Produce (Food Safety Schemes) Bill 2003 was released for public consultation. The Bill was strongly supported by the dairy industry and most submitters supported the legislation for high-risk primary industry sectors such as meat and dairy. The shellfish industry also provided significant support for the Bill.

As a result of consultation there were a number of amendments made to the Bill, including significant additional requirements for consultation and adjustments to enable minimum regulatory schemes for lower risk sectors, for example by allowing notification instead of accreditation.

In the Bill the term "food safety arrangement" describes an arrangement or system or program, used by an industry or business to ensure that the required food safety outcomes are achieved, and are shown to have been achieved. A food safety arrangement may be an industry quality assurance or food safety program with a private or government (eg AQIS) auditor. This allows the regulator to specify the outcomes to be achieved, usually by mandating a standard, and industry to use whatever methods are best suited to meet the standard, with the regulator having the ability to recognise these methods as approved food safety arrangements. It provides flexibility and enables recognition of existing industry and government systems, thereby minimising duplication and costs.

The Bill indicates what parts of primary industry can have food safety schemes developed, but does not itself directly impose food safety requirements on any part of primary industry. For a number of low risk industries this may mean they are never included in a food safety scheme. The Bill does not allow for the regulation of retail business or activities incidental to retail businesses (other than in the meat sector).

The Government has listened to industry's request for a strong voice in the establishment or variation of a Scheme. The Bill provides for significant consultation directly and through an advisory committee. Industries, such as the transport industry, that could be potentially affected by all food safety schemes will be consulted during the development of each scheme.

Food safety schemes are a set of regulations that define the food safety requirements and administrative arrangements for an industry sector and will be tailored to the sector and risks involved. Three schemes will be developed initially to continue current regulatory food safety arrangements in the meat, dairy and shellfish industries.

In the future it is expected that most schemes will be based on national primary production or processing standards developed and approved by Food Standards Australia New Zealand (FSANZ). Consultation on a scheme based on a FSANZ standard would relate to the proposed administrative arrangements, not the standard, as development of the FSANZ standards includes oversight by an industry-government committee, a scientific risk assessment and at least two rounds of public consultation with a regulatory impact assessment. Sectors flagged to have national standards developed over the next few years include poultry, dairy, eggs, seed sprouts and red meat.

In practice, Government would initiate a scheme where a significant unmanaged risk is identified in a part of primary industry. Any consideration of this action would include advice from the Minister for Health and would be based on an assessment of public health risks and the need for regulation.

Alternatively, industry could approach the Government to develop and implement a scheme. This may occur where industry believes there are market or trade opportunities in having a higher standard or Government endorsement of industry practices. There would need to be a full appraisal of the benefits and costs and demonstration of full industry support before the Government would consider such a request.

If accreditation is necessary, the Minister or a public agency could be designated as an accreditation body to oversee a food safety scheme, and accredit businesses, approve food safety arrangements and collect and administer funds. The Minister can delegate powers of approving auditors and authorised persons to the accreditation body. It is intended to approve the current Dairy Authority as the accreditation body for the dairy industry and the Minister for Agriculture, Food and Fisheries as the accreditation body for the meat industry. This will continue the current arrangements under the *Meat Industry Act 1994* and *Dairy Industry Act 1992*.

Accreditation will be a tool primarily used for higher risk activities and sectors. It means that businesses can only be established and operate if they have systems that produce safe food, a necessary requirement for industries such as the meat, dairy and shellfish industries. Generally, only businesses in higher risk sectors will be accredited.

The Act provides for the Minister to approve suitably qualified individual auditors and/or an auditing service for part, or all, of an industry. Approval of one or two audit companies for the meat industry, through an open tender process, has proved to be a significant tool in ensuring audit consistency and in minimising costs.

I commend this Bill to the House.

EXPLANATION OF CLAUSES

Part 1—Preliminary

Division 1—Formal

1—Short title

2—Commencement

These clauses are formal.

Division 2—Interpretation

3—Interpretation

Clause 3 contains definitions of words and phrases used in the Bill.

4—Interaction with other Acts

Clause 4 provides that the Bill is in addition to, and does not limit or derogate from the provisions of any other Act.

5—Food safety arrangements

Clause 5 defines ***food safety arrangement*** as a set of processes adopted by a producer relating to one or more of the following:

- operations before, during and after the production of primary produce;
- the maintenance of premises, vehicles, plant and equipment used in connection with the production of the produce;
- auditing of compliance with the processes.

6—Meat and meat processing

Clause 6 defines ***meat*** and ***meat processing*** reflecting the terms as currently defined under the *Meat Hygiene Act 1994*.

7—Primary produce

Clause 7 defines ***primary produce*** as an animal, plant or other organism or parts thereof intended for consumption by humans or pets or food produced in the production of primary produce.

8—Production of primary produce

Clause 8 sets the scope for the activities for which a food safety scheme may be established by regulation under clause 12.

The activities include:

- the growing, raising, cultivation, picking, harvesting, collection or catching of primary produce;
- the sorting or grading of primary produce;
- the freezing, packing, refrigeration, storage treating or washing of primary produce;
- the pasteurisation or homogenisation of milk, or manufacturing of other dairy produce;
- meat processing;
- the shucking of molluscs;
- the transportation, delivery or handling of primary produce;
- the sale of livestock at saleyards; and
- any other activity prescribed by regulation.

Clause 8(2) sets out what does not constitute the production of primary produce, namely

- activities carried out incidentally to the carrying on of a retail business, with the exception of activities relating to meat; and
- processes (other than those specified in subclause (1)) by which produce is altered or added to in order to increase its shelf life.

Division 3—Object

9—Object

Clause 9 sets out the object of the Bill, namely to develop food safety schemes for primary industries that reduce risks to consumers and primary industry markets associated with unsafe or unsuitable primary produce.

Part 2—Food safety schemes

10—Establishment of advisory committees for class of activities

Clause 10 enables the making of regulations for the establishment of advisory committees which will have the function of advising the Minister about food safety schemes. If such regulations are made, the Minister is required (under clause 11(4)) to consult with such a committee before a food safety scheme for a particular class of activities is made, varied or revoked.

11—Food safety schemes

Clause 11(1) provides for the making of regulations establishing food safety schemes. Clause 11(2) sets out the scope of such regulations. Clause 11(3) sets out additional regulation-making powers in relation to meat allowing for the same legislative scope as currently exists in the *Meat Hygiene Act 1994*. Clause 11(4) sets out the consultation requirements to be observed by the Minister before the establishment, variation or revocation of food safety schemes. Clause 11(5) provides that bodies corporate established by regulation will be agencies of the Crown and hold property on behalf of the Crown.

Part 3—Accreditation

12—Obligation to be accredited

Clause 12 sets out the principal regulatory provision of the Bill, namely that producers of primary produce must not engage in a class of activities to which a food safety scheme applies without an accreditation if accreditation is required by the scheme. Failure to be accredited as required is an offence attracting a maximum penalty of $20 000.

13—Application for accreditation

Clause 13 sets out the procedure for applying for accreditation, including that it is to be made to the accreditation body. (An ***accreditation body*** is defined in clause 3 of the Bill as being either the Minister or the body corporate established for a particular class of primary production activities (to be found in the relevant regulations).)

14—Temporary accreditation

Clause 14 provides that the accreditation body may grant temporary accreditation for a maximum period of 6 months pending determination of an application for accreditation.

15—Grant of accreditation

Clause 15(1) provides that accreditation must be granted if the applicant is a suitable person to hold accreditation and in the case of a body corporate applicant, each director is a suitable person, and the applicant satisfies the relevant requirements for accreditation.

Clause 15(2) sets out some of the considerations that may be taken into account in determining whether a person is a "suitable person" under clause 15(1). These are: offences against specified laws and offences of dishonesty committed by the applicant.

16—Conditions of accreditation

Clause 16(1) provides that an accredited producer must, as a condition of accreditation—

- if a food safety arrangement applies, comply with such an arrangement, allow audits to be performed and pay for or contribute to the cost of such audits; and
- comply with the regulations; and
- comply with any other conditions imposed by the accreditation body under the relevant food safety scheme.

Clause 16(2) makes contravention of a condition of accreditation an offence attracting a maximum penalty of $20 000.

Clause 16(3) makes it an offence to hinder or obstruct a person performing an audit under a condition of accreditation. The maximum penalty for such an offence is $5 000.

17—Annual return and fee

Clause 17 requires accredited producers to pay annual fees and lodge annual returns. Failure to do so can lead to suspension or cancellation of accreditation.

18—Variation of accreditation

Clause 18 enables the accreditation body to impose, vary or revoke conditions of accreditation, approve food safety arrangements or vary approved food safety arrangements.

19—Application for variation of accreditation

Clause 19 sets out the procedure for applying for a variation or revocation of a condition of accreditation or for the approval or variation of a food safety arrangement.

20—Transfer of accreditation

Clause 20 provides that an accreditation is transferable (unless the conditions of accreditation provide otherwise) to a suitable person who has capacity, or has made arrangements, for ensuring compliance with the conditions of accreditation. The clause sets out the process for applying for a transfer.

21—Suspension or revocation of accreditation

Clause 21 sets out the circumstances in which the Minister may suspend or revoke an accreditation. These include where there is a breach of conditions, commission of an offence against the Act or non-payment of fees. The accredited producer must be given 14 days to respond to a proposed suspension or revocation.

22—Surrender of accreditation

Clause 22 provides that an accredited producer may surrender the accreditation to the accreditation body.

Part 4—Enforcement

Division 1—Approved auditors

23—Approved auditors

Clause 23(1) provides for the approval by the Minister of auditors. (Approved auditors are referred to in clause 16 which deals with conditions of accreditation. In particular, an accredited producer who has an approved food safety arrangement must, in certain circumstances, allow approved auditors to carry out spot audits.)

Clause 23(2) enables the Minister to impose conditions of approval on auditors.

The rest of this clause provides for the content of agreements entered into by an auditor and the Minister. It provides for the Minister's powers in respect of the variation or termination of agreements, the imposition of further conditions of approval, the variation or revocation of approval and the withdrawal of approval.

24—Duty of auditors to report certain matters

Clause 24 requires an auditor who forms a reasonable belief that a producer has engaged in conduct creating a serious risk to the safety of primary produce or conduct of a prescribed kind to report the producer to the Minister. Failure to do so is an offence attracting a maximum penalty of $2 500 or imprisonment for 6 months.

Division 2—Authorised persons

25—Appointment of authorised persons

Clause 25(1) provides for the appointment by the Minister of authorised persons. Clause 25(3) enables agreements to be made in respect of the exercise by employees or agents of the Commonwealth or a local government authority of the powers and functions of an authorised person.

26—Identification of authorised persons

Clause 26 requires authorised persons to carry identification and to produce it on request.

27—General powers of authorised persons

Clause 27 sets out the general powers of authorised persons to administer and enforce the Act and regulations. They may not break into a place or vehicle without a warrant.

28—Provisions relating to seizure

Clause 28 provides for the issuing of seizure orders and also sets out how an authorised person is to deal with things seized by the person.

29—Offence to hinder etc authorised persons

Clause 29 makes it an offence to hinder or obstruct, use offensive language to, refuse or fail to comply with a requirement of, or answer a question asked by, an authorised person or a person assisting an authorised person attracting a maximum penalty of $5 000. Assaulting such persons is an offence carrying a maximum penalty of $10 000 or imprisonment for 2 years.

30—Self-incrimination

Clause 30 provides that any answer, copy of a document or information required and given under Part 4 Division 2 that would tend to incriminate the person or make the person liable to a penalty, must nevertheless be given, but the answer or document or information is inadmissible in evidence against the person in proceedings other than in proceedings relating to the making of a false or misleading statement or declaration.

Division 3—Compliance orders

31—Power to require compliance with legislative requirements

Clause 31 enables authorised persons to issue notices of compliance to producers suspected of contravening requirements of the Act including conditions of accreditation and requirements of a food safety scheme or approved food safety arrangement.

32—Offence of contravening compliance order

Clause 32 makes contravention by a producer of a requirement or prohibition under a notice of compliance an offence attracting a maximum penalty of $20 000.

Part 5—Review and Appeal

33—Review by Minister

Clause 33 provides a right of appeal to persons whose interests are affected by a decision under Part 3 or Part 4 Division 3. The appeal is directed to the Minister.

34—Appeal to District Court

Clause 34 provides that persons not satisfied with the decision of the Minister under clause 33 may appeal to the Administrative and Disciplinary Division of the District Court. Clause 34(3) requires the Minister to provide reasons for the decision if so required by the applicant for the review.

Part 6—Miscellaneous

35—Exemptions

Clause 35 gives the Minister the power to issue exemptions to persons from compliance with the Act, individually or by class, by notice in the Gazette.

36—Delegation by Minister

Clause 36 gives the Minister the power to delegate functions or powers (except a function or power prescribed by regulation) to a body or person.

37—Immunity from personal liability

Clause 37 provides for immunity to members of accreditation bodies, authorised persons or any other persons engaged in the administration of the Act.

38—False or misleading statements

Clause 38 prohibits the making of false or misleading statements and imposes a maximum penalty of $10 000 or imprisonment for 2 years for statements made that were known to be false or misleading, and $5 000 for those not so known.

39—Statutory declaration

Clause 39 enables the Minister or an accreditation body to require information required under or by the Act to be verified by statutory declaration.

40—Confidentiality

Clause 40 prohibits the divulging of information obtained in the administration of the Act relating to business processes or financial information except under certain circumstances. Contravention of this clause is an offence attracting a maximum penalty of $10 000.

41—Giving of notice

Clause 41 provides for the methods of giving notice under the Act.

42—Evidence

Clause 42 provides evidentiary assistance for the prosecution of offences under the Act.

43—General defence

Clause 43 provides for a defence to a charge of any offence against the Act of taking reasonable care to avoid the commission of the offence.

44—Offences by bodies corporate

Clause 44 provides that, if a body corporate is guilty of an offence, then each director and the manager of the body corporate are also guilty.

45—Continuing offences

Clause 45 provides for an additional penalty of one-fifth of the maximum penalty for an offence for each day that the offence continues.

46—Regulations

Clause 46 sets out the regulation-making powers. In addition to other powers, there is the power to make regulations incorporating standards or codes.

Schedule 1—Related amendments, repeals and transitional provisions

Part 1 (clause 1) of Schedule 1 is formal.

Part 2 (clause 2) of Schedule 1 makes a consequential amendment to the *Prevention of Cruelty to Animals Act 1985*, replacing a reference to the *Meat Hygiene Act 1994* with a reference to this Bill.

Part 3 (clause 3) of Schedule 1 repeals the *Dairy Industry Act 1992* and the *Meat Hygiene Act 1994*.

Part 4 of Schedule 1 contains transitional provisions.

Clause 4 provides for the temporary accreditation under the new system of persons licensed under the *Dairy Industry Act 1992* or accredited under the *Meat Hygiene Act 1994*.

Clause 5 provides that the regulations establishing a food safety scheme for the production of dairy produce may provide for the continuation of the Dairy Authority of South Australia established under the *Dairy Industry Act 1992* as the accreditation body. Because a body corporate is, through a regulation under clause 5(a) taken to be the same body corporate as the Dairy Authority of South Australia, the staff of the body are unaffected by the legislation in respect of their employment.

Mr HAMILTON-SMITH secured the adjournment of the debate.

GENETICALLY MODIFIED CROPS MANAGEMENT BILL

Received from the Legislative Council and read a first time.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I move:

That this bill be now read a second time.

Under the National Gene Technology Regulator Scheme, agreed between state and territory governments and the Australian government, the commonwealth Gene Technology Act 2000 and mirroring legislation in states and territories, the assessment of risk posed by genetically modified organisms (GMOs) to human health and safety in the environment are determined by the Gene Technology Regulator, Dr Sue Meek. Dr Meek's assessment is based on science and includes expert advice and public consultation. Her decisions apply nationally. Last year, she approved two licences for the commercial production of genetically modified canola. She has also previously approved commercial production for GM carnations and GM cotton. This is a particularly important point to make, because what we are dealing with in this house later today relates only to licences that have already been issued by the Regulator based on the commonwealth Gene Technology Act 2000.

The bans on moratoriums in place in New South Wales, Western Australia, Victoria, Tasmania, the ACT, possibly the Northern Territory and, depending on the outcome of debate here later, in South Australia, relate to concerns that export markets may be adversely affected if GM crops are grown commercially. They are largely in place to manage the commercial introduction of GM canola in an orderly fashion and are time-limited.

States retain the constitutional right to manage market risk posed by gene technology and, should they elect to so act, must do so within the constraints imposed under section 92 of the Constitution (National and TransTasman Mutual Recognition Laws and National Competition Policy). Announcements made in Western Australia on 22 March, Tasmania on 23 March and Victoria on 25 March are consistent with the Australian government's state/territory arrangements and do not alter Australia's approach to GM products.

Consistent with this, the approach we are suggesting in this state is consistent with section 92 and, importantly, reflects the recommendations of the select committee, which focused on co-existence and risk management as the key elements of a responsible policy. I chaired that select committee and, no doubt, members in this house Mitch Williams, John Rau, Hon. Dean Brown and Lyn Breuer will separately comment on this issue. I believe that our balanced response achieves the objectives of the select committee and that this bill, if agreed, will put in place a management framework to manage market risk within the broader environment determined by the Office of the Gene Technology Regulator.

With those comments, I seek leave to have the remainder of my second reading explanation inserted in *Hansard* without my reading it.

Mrs REDMOND: I am sorry, Mr Deputy Speaker, but I think that we are back at the point that I thought we were at earlier.

The DEPUTY SPEAKER: Can I clarify the situation. I think that there might be some misunderstanding. As I understand it, the Deputy Leader of the Opposition has negotiated a position with the minister responsible for government business that what will happen is that this matter will, in effect, be adjourned shortly. It will require suspension, so that there will not be a full-blown debate, if that is what the member for Heysen is worried about.

Mrs REDMOND: My concern is that, according to today's *Notice Paper*, all of the debate will occur this evening.

The DEPUTY SPEAKER: It will not occur immediately. As I understand it, the matter has been negotiated between the Deputy Leader of the Opposition and the minister, or the minister responsible for government business. The matter will not, therefore, be debated immediately. There needs to be a suspension to deal with this because, obviously, it is considered to be a matter of urgency. If leave is not granted the minister must read his whole speech.

Mrs REDMOND: I will defer to those arrangements that have been made, but with the comment that I find it most unsatisfactory that, on the couple of occasions it has occurred in this house, members may be asked to debate a matter forthwith, virtually. I happen to have dinner guests tonight, for instance, so I will not be able to read the second reading explanation during our dinner break—

The DEPUTY SPEAKER: Order! The honourable member cannot make a speech. If the honourable member does not grant leave the minister must read his whole speech.

Mrs REDMOND: In the interests of the arrangements that have been made, without notice to any of the members, I will defer to those arrangements.

The Hon. R.J. McEWEN: I am not protesting. Out of respect to the house, if the honourable member wishes, I will continue.

The DEPUTY SPEAKER: Order! I make the point, again, that it is not the chair's responsibility: it is up to the various parties involved in the house to ensure that all their

members are aware of the negotiated arrangements. I take it that the member for Heysen is not objecting to leave being granted for the minister to insert the rest of his speech without his reading it?

Mrs REDMOND: No, sir.

Leave granted.

The bill will give effect to the Government's commitment to ensure that genetically modified crops are regulated in South Australia. This is necessary to protect existing and future markets for farm produce until supply systems are developed to provide the necessary segregation and identify preservation of crops.

The Bill implements the key recommendations of the Report of the Select Committee on Genetically Modified Organisms tabled in the House in June 2003. The Bill addresses negative market impacts that could arise as a result of inadequate segregation and identity preservation along the production and supply chain.

The Government's legislative strategy is shaped by 3 other important factors.

- Firstly, this legislation needed to be consistent with the *Gene Technology Act 2000* of the Commonwealth. Section 109 of the Commonwealth Constitution renders invalid and inoperative any State law to the extent that it is inconsistent with a Commonwealth law. Some care was needed in ensuring that this Bill worked in harmony with the *Gene Technology Act 2000*. It was important for all States to agree to the adoption of the *Gene Technology (Recognition of Designated Areas) Principle 2003* so that the State law could operate within a national regulatory framework. This Principle became operational in August 2003.
- Secondly, the legislation needed to be consistent with trading obligations under the World Trade Organisation *Technical Barriers to Trade Agreement* to which Australia is a signatory.
- Thirdly, the legislation needed to be compliant with National Competition Principles.

The *Genetically Modified Crops Management Bill 2004* is the result of extensive consultation, at the Select Committee stage and subsequently when a draft of the Bill was made available for consultation in November/December 2003—266 people and organisations responded to the consultation process on the draft Bill with a total of 142 separate submissions.

The Bill has the primary purpose of permitting the regulation of genetically modified food crops, in order to prevent adverse market outcomes that may otherwise occur from the unregulated introduction of GM crops into the State's agricultural production systems. In accordance with the Commonwealth/State regulatory framework, the Bill's purpose is not to regulate GM crops for reasons of human or environmental safety or as foods for human consumption.

The Bill provides the power to make Regulations that establish defined areas in which the cultivation of GM crops may be regulated to achieve market outcomes clearly related to product integrity.

The Regulations may—

- prohibit the cultivation of GM food crops within a zone; or
- prohibit the cultivation of GM food crops within a zone, except any prescribed crops which may be grown; or
- prohibit the cultivation of prescribed GM crops within a zone, but permit non-prescribed GM crops to be cultivated; or
- prohibit the cultivation of a prescribed GM crop in any place other than a specified zone.

The Bill will only apply to the cultivation of "food" crops. This refers specifically to the cultivation of those crops consumed directly by humans (such as grains or oils, and crops) and includes pastures that are consumed by livestock, the products of which are then subsequently consumed by humans. This restriction is fully consistent with the objective of preventing adverse market impacts and also provides a measure of consistency across jurisdictions (for example, the NSW legislation applies only to food crops). The legislation does not apply to non-food crops such as ornamental flowers.

The Bill provides a mechanism (section 5) for granting blanket approval by Ministerial Notice to cultivate a prescribed GM crop (or class of crop), but only under stringent conditions enabling coexistence with non-GM crops to be maintained. Decisions to prescribe GM crops must be based on extensive public consultation and the recommendation of the GM Crop Advisory Committee, the establishment of which is also provided for in the Bill.

This independently chaired Committee will mainly be comprised of supply chain experts and will be required to provide advice to the Minister on matters relating to the declaration of areas and the prescription of GM crops. The composition and perceived neutrality of this Committee was a major area of public comment.

The Bill pursues the Select Committee's position that this is an expert committee and not a representative one. However, the public's comments will be taken into account in the final composition of the Committee.

The Bill provides a mechanism (section 6) for Ministerial exemption to be made to permit limited scale cultivation of GM crops in specific circumstances, and with the imposition of specific conditions. This will ensure that the cultivation is contained and kept completely separate from the production and supply chains of conventional produce. This mechanism is intended to apply to research and development trials.

The Bill provides for the appointment of inspectors to enable monitoring and compliance to be undertaken. They will have powers to take certain actions in relation to preventing spread or contamination by GM crop materials.

The Bill, while giving Government the regulatory power to establish declared zones for various marketing purposes, does not specifically address the special cases of Kangaroo Island and Eyre Peninsula.

The Select Committee recommended that these 2 areas had a greater chance of establishing themselves as GM free areas through a process of self-determination.

It is the Government's intention to introduce Regulations under the Bill's Transitional Provisions to prohibit the cultivation of GM food crops in both these areas due to potential market impacts. This will provide a 3 year window of opportunity to undertake this determination.

The Transitional Provisions provide for initial regulations to be made without the need for the otherwise stipulated public consultation process and examination by the GM Crop Advisory Committee. The Transitional Provisions in this instance may apply for up to 3 years.

The Bill also proposes that a review of the Act be completed within 3 years. The 3 year time frame has been chosen to provide the opportunity to understand and respond to 2 significant events:

- The Commonwealth *Gene Technology Act 2000* will have been reviewed during 2005/2006 and implications of any changes to the national regulatory framework, including the potential for changes to the scope of the Regulator's licensing powers, will have become known.
- The NSW *Gene Technology (GM Moratorium) Act 2003* expires on 3 March 2006 and the implications of a potentially unregulated GM grain production in the major grain producing state will also be understood and may need to be accommodated in changes to SA's Legislation.

A matter widely raised by farmers and advocacy groups through the consultation process was the legal liability issues that might arise as a consequence of the cultivation of GM crops and the entry of GM products into the supply chain. Some protection is proposed for growers of non-GM crops regarding any legal risk of infringing a South Australian law through the inadvertent and unauthorised cultivation of any GM seeds present in non-GM seed. The Bill now includes a section which provides some immunity from legal action.

I commend the Bill to the House.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Commencement

These clauses are formal.

3—Interpretation

This clause sets out definitions of words and phrases for the purposes of this measure. In particular, ***cultivate***, in relation to a genetically modified food crop, includes—

(a) to breed, germinate, propagate, grow, raise, culture, harvest or collect plants, or plant material, for, or as part of, that crop;

(b) to spread, disseminate, deal with or dispose of any plant or plant material that has formed part of that crop;

(c) to undertake any other activity brought within the ambit of this definition by the regulations,

but does not include—

(d) the use of a product derived from a crop as feed in prescribed circumstances; or

(e) any other activity excluded from the ambit of this definition by the regulations.

A ***food crop*** means a crop which, or any part or product of which, may be used—

(a) for human consumption; or

(b) for livestock consumption,

whether or not after processing (and including as an ingredient for human consumption or livestock consumption).

A ***genetically modified food crop*** means a food crop that consists of or includes plants—

(a) that are genetically modified organisms; or

(b) that are derived or produced from genetically modified organisms; or

(c) that have inherited from other plants particular traits that occurred in those other plants because of gene technology.

A number of other definitions, such as the definitions of ***genetically modified organism*** or ***GMO***, ***gene technology*** and ***GMO licence*** have the same meanings as in the *Gene Technology Act 2001*.

4—Declared thresholds

The Minister may, by notice published in the Gazette, declare a threshold relating to the presence of GMO in crops and, by further notice, vary or revoke such a declaration.

Part 2—Preservation of identity of crops

5—Designation of areas

Subclause (1) provides that the Governor may, by regulation—

(a) designate an area of the State as an area in which genetically modified food crops of a specified class may not be cultivated or where no genetically modified food crops at all may be cultivated;

(b) designate an area of the State as an area in which a genetically modified food crop may not be cultivated unless it is a genetically modified food crop of a specified class;

(c) designate an area of the State as the only part of the State in which genetically modified food crops of a specified class may be cultivated.

The Governor must not make such a regulation except on the recommendation of the Minister who must follow certain procedures (such as public consultation) before making any such recommendation.

If the Governor has designated an area under subclause (1)(b) or (c), the entitlement of a person to cultivate a genetically modified food crop within the area (as provided by the relevant regulation) is subject to the requirement that the cultivation must be within the ambit of a declaration of the Minister (and cultivation must not occur unless or until this requirement is satisfied).

The Minister may in relation to a specified class of genetically modified food crop, by notice published in the Gazette, make a declaration if the Minister is satisfied—

(a) that appropriate and effective systems have been developed to ensure the segregation of any genetically modified food crop of that class, or of any GM related material, from other crops, materials, products or things in order to preserve the identity of those other crops, materials, products or things; and

(b) that persons involved in the cultivation of a genetically modified food crop of that class, or in any process associated with such a crop or with any GM related material, can reasonably be expected to comply with the systems contemplated under paragraph (a); and

(c) that an assessment has been undertaken of the likely impact (if any) that the cultivation of crops of that class within the relevant designated area will have on relevant markets (including markets for other forms of crops, materials, products or things) and that, in the circumstances, it is reasonable for cultivation of crops of that class to proceed in that designated area.

The Minister must before making a recommendation or a declaration under this clause consult with the Advisory Committee and take into account any advice provided by the Advisory Committee in relation to the matter.

The Governor may, by regulation—

(a) designate criteria that the Advisory Committee must take into account for the purposes of giving advice to the Minister under this clause;

(b) prescribe requirements that must be complied with if a person is involved in the cultivation of a genetically modified food crop or in any process associated with any such crop or with any GM related material.

A person is guilty of an offence if—

(a) the person cultivates a crop in contravention of subclause (1) or (4); or

(b) the person contravenes, or fails to comply with, a requirement under subclause (11),

the maximum penalty for which is $200 000.

6—Exemptions

The Minister may, by notice published in the Gazette, confer exemptions from the operation of clause 5 for limited scale cultivation, which may be subject to conditions.

A person is guilty of an offence if the person contravenes, or fails to comply with, a condition of an exemption under this clause, the maximum penalty for which is $200 000.

7—Related matters

The Minister may, before taking any action under this proposed Part seek advice or submissions from any person or body or take such other action or initiate such other investigations as the Minister thinks fit.

The regulations may prescribe fees or charges in relation to the assessment of applications, proposals or submissions furnished or made to the Minister with respect to the taking of any action (whether by the Governor or the Minister) under this Part.

The Minister may require that any application, proposal or submission made for the purposes of this Part be made in a manner and form determined by the Minister.

Part 3—Administration

Division 1—GM Crop Advisory Committee

8—Establishment The of Advisory Committee

It is proposed to establish the GM Advisory Committee (the ***Committee***.)

9—Membership of Advisory Committee

The Committee is to consist of between 9 and 11 members appointed by the Governor.

10—Terms and conditions of membership

11—Remuneration

Clauses 10 and 11 contain the usual provisions relating to terms and conditions of membership and remuneration etc.

12—Disclosure of interest

This clause provides that members of the Committee must disclose to the relevant Minister full and accurate details in writing of any interest in a matter under consideration of the Committee.

13—Validity of acts

An act or proceeding of the Advisory Committee is not invalid by reason only of a vacancy in its membership or a defect in the appointment of a member.

14—Procedures

This is the usual clause providing for committee procedures.

15—Expert and other assistance

The Committee may seek expert or other advice in connection with the performance of its functions.

Division 2—Inspectors and powers of inspection

16—Appointment of inspectors

The Minister may appoint persons to be inspectors for the purposes of this Act.

17—Powers of inspectors and related matters

This measure is to be read as if Part 11 Divisions 3 to 5 (inclusive) and 7 to 11 (inclusive) of the *Gene Technology Act 2001* were incorporated into this measure, subject to any modifications, additions or exclusions prescribed by regulation, together with any definitions contained in the *Gene Technology Act 2001* of terms used in those provisions.

Part 4—Miscellaneous

18—Orders for destruction of crops or material

The Minister may, by instrument in writing—

(a) order the destruction of a crop if the Minister is satisfied that the crop has been cultivated or dealt with in contravention of this measure;

(b) order the destruction of any GM related material if the Minister is satisfied that the material has been produced, used or dealt with in contravention of this measure, or is

associated with any crop that has been cultivated or dealt with in contravention of this measure.

19—Power of delegation

The Minister may delegate to a body or person (including a person for the time being holding or acting in a specified office or position) a function or power of the Minister under this measure.

20—False or misleading information

It is an offence (attracting a maximum penalty of $10 000) if a person furnishes information for the purposes of this measure that is false or misleading in a material particular.

21—Proceedings for offences

Proceedings for an offence against this Act may only be commenced by the Minister, the Chief Executive of the Department, an inspector or a person acting under the authority of the Minister.

22—Offences by bodies corporate

If a body corporate commits an offence, each member of the governing body, and the manager, of the body corporate are guilty of an offence and liable to the same penalty as is prescribed for the principal offence unless it is proved that the principal offence did not result from failure on his or her part to take reasonable and practicable measures to prevent the commission of the offence.

A person may be prosecuted and convicted of an offence under this section whether or not the body corporate has been prosecuted or convicted of the offence committed by the body corporate.

23—Continuing offence

This clause provides for a continuing penalty to be incurred in relation to a continuing offence against this measure.

24—Orders on conviction for an offence

This clause provides for the orders that a court can make against a person who is convicted for an offence against this measure that are in addition to the imposition of a penalty for the offence.

25—Evidentiary provision

This clause provides that, in any proceedings, a certificate executed by the Minister as to certain events will be proof of the matters so certified in the absence of any proof to the contrary.

26—Immunity from liability

This provides for immunity from liability for actions taken under this measure in the administration of this measure if they are done (or omitted to be done) in good faith. Any liability instead attaches to the Crown.

27—Special protection from liability for the spread of genetically modified plant material

If—

(a) genetically modified plant material is present on any land; and

(b) the existence of the material on the land is attributable to the spread, dissemination or persistence of the material; and

(c) the original introduction of such material to the land was not knowingly undertaken by or on behalf of any person who is, or who has been, an owner or occupier of the land,

then no action may be brought in a South Australian court or under South Australian law against a person who is an owner or occupier of the land on account of the fact—

(d) that the material is present on the land; or

(e) that the person has dealt with the material.

That does not apply if the relevant court is satisfied—

(a) that a person who is an owner or occupier of the relevant land has deliberately dealt with a crop knowing that genetically modified plant material was present in order to gain a commercial benefit; and

(b) that, in the interests of justice, another person's rights with respect to that material should be recognised or protected.

This clause extends to any case where genetically modified plant material was present on land before the commencement of this Act.

28—Regulations

Regulations may be made for the purposes of this measure.

29—Review of Act

A review of this measure must be undertaken within 3 years of its commencement and a report on the review be laid before Parliament.

Schedule 1—Transitional provisions

The Schedule provides for transitional matters consequent on the passage of this measure.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I move:

That standing orders be so far suspended as to enable this bill to pass through all stages without delay.

The DEPUTY SPEAKER: I just clarify that, if that motion is carried, the matter will be dealt with later.

I have counted the house and, as an absolute majority of the whole number of members of the house is not present, ring the bells.

An absolute majority of the whole number of members being present:

Motion carried.

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

PUBLIC FINANCE AND AUDIT (HONESTY AND ACCOUNTABILITY IN GOVERNMENT) AMENDMENT BILL

The Legislative Council agreed to the bill with the amendments indicated in the following schedule, to which amendments the Legislative Council desires the concurrence of the House of Assembly:

No. 1. Page 5, line 13 (clause 6)—Leave out '14' and insert:
10

No. 2. Page 5 (clause 6)—After line 21 insert the following:

(ba) information relating to any situation where assumptions made by the Under-Treasurer conflict with a decision made by the Cabinet or the Treasurer and communicated to the Under-Treasurer;

(baa) in relation to the assumptions about public sector wage settlement costs for the current financial year and the following three financial years—information about any differences between the assumptions used and those already agreed by the Cabinet and the reasons for those differences;

(bb) a full reconciliation of any differences between the estimates in the report and the estimates that appeared in the last State budget or *Mid-Year Budget Review* (whichever is the more recent), and an explanation as to those differences;

No. 3. Page 6, line 17 (clause 6)—Leave out 'seven' and insert:
5

No. 4. Page 6 (clause 6)—After line 20 insert the following:

(9) The Under-Treasurer must, on the day immediately following the release of a pre-election update report under this section, make himself or herself available to meet for a period of up to two hours, at a mutually agreed time and place, with each of the following persons in order to discuss, and answer questions in relation to, the report:

(a) The Treasurer:

(b) a person who is, or who immediately before the issue of the writs was, a Member of Parliament, nominated by the Leader of the Opposition.

MOTOR VEHICLES (SUSPENSION OF LICENCES OF MEDICALLY UNFIT DRIVERS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

ADELAIDE WOMEN'S PRISON

The Hon. J.D. HILL (Minister for Environment and Conservation): I lay on the table a copy of a ministerial statement relating to the Adelaide Women's Prison made earlier today in another place by my colleague the Minister for Correctional Services.

NATURAL RESOURCES MANAGEMENT BILL

Adjourned debate on second reading.

(Continued from 24 March. Page 1661.)

The Hon. J.D. HILL (Minister for Environment and Conservation): Last week, when we were engaged in debate on the Natural Resources Management Bill, we had 10 hours of second reading speeches. Unfortunately, I ran out of time to complete my remarks. I am part-way through concluding my remarks in relation to the bill. I intend to go through the issues raised by members opposite during the second reading debate and address the majority of the concerns that they raised. Some of the more detailed comments can be considered during the committee stage, when I understand a number of amendments will be moved.

In my opening remarks I referred to the extensive consultation undertaken on this bill. I thank the member for Davenport for acknowledging this and, indeed, for his contribution by attending at least four forums. I believe he recalled only three he had attended. In fact, 28 regional forums were convened in 2002 to consider the discussion paper and to seek comments on the drafting of the bill. Some 26 regional forums were convened in 2003 on the draft bill; of these, 15 were convened between July and August 2003 on the consultation draft, at which over 600 people attended. The process attracted a significant contribution from interested people and bodies. There were 200 submissions received on the discussion paper and 160 submissions received on the consultation draft bill, resulting in 1 500 individual comments.

Some of the issues, of course, were duplicated and suggested specific changes to the bill. All submissions were referred to the interim NRM council for consideration, and there have been ongoing discussions with interested bodies and individuals, particularly the South Australian Farmers Federation and the Local Government Association, as I mentioned last week. Again, I acknowledge the valuable contribution that these two groups, amongst others, have had in shaping this bill. In fact, I met on many occasions with the LGA and SAFF in relation to this legislation. I would say that it was a bit frustrating at times for all parties but a good process, because I think we reached reasonable consensus about how to proceed.

The whole process has resulted in significant improvements to the bill before the house. The forums were well advertised and were held regionally to ensure that those interested had the opportunity to attend. Information has also been made available across the internet. I am unable, as requested by the member for Davenport, to provide detailed statistics on the background of people who attended, although lists of names were taken. However, I am aware that a number of land-holders did attend the forums, either in their own right or as members of existing boards. Indeed, in addition to those processes of consultation, the opposition received two formal briefings on the bill, the first on 23 August last year and the second on 27 February 2004. On one occasion (it might have been a year or so ago) I attended a meeting with the opposition caucus committee or party committee that deals with these issues and talked through the matters with them in a general sense. I cannot think of any other piece of legislation which has been consulted over as much as this particular piece of legislation. It has received very thorough consultation, and the word I get from the stakeholders is that it is time to get on with it; we have talked it through and they now want to see action.

The members for Davenport and Bright have asked whether the mining and petroleum industries have been consulted in relation to this bill. I can advise that a briefing was provided to representatives of the South Australian Chamber of Mines and Energy (SACOME) and the Australian Petroleum Production and Exploration Association (APPEA) on 27 November last year, and a separate briefing was provided to Santos representatives on 20 November 2003. PIRSA mining and petroleum representatives also attended both briefings. PIRSA mining and petroleum sought consequential amendments to the Mining and Petroleum Act providing a linkage to the objects and principles of this bill. SACOME, APPEA and Santos were made aware of these provisions in the bill. It is not surprising that these provisions were proposed and have been accepted by the mining and petroleum industries, as this actually formalises practice adopted by PIRSA mining and petroleum to take into account natural resource management issues when considering mining and petroleum developments. It is clear that these industries acknowledge the need to be environmentally conscious, and I congratulate them for that.

The member for Davenport has asked whether there was public consultation on the review of the Water Resources Act. The report into the review of the operations of the Water Resources Act was prepared to fulfil the requirement of section 159 of that act which required that the minister cause a review of the operation of the act to be conducted and a report on the results of the review to be submitted to the minister by the end of the 2001-02 financial year. Consultation on the review was limited to key government agencies, the water resources council and catchment boards. The review was commenced and substantially completed under the former government. In view of this government's intention to develop integrated NRM legislation, further consultation on the review of the Water Resources Act was not considered necessary. It was intended that changes would be incorporated into the water resources provisions of the NRM bill and that there would be opportunity for public review of recommended changes through the consultation process on that bill. The changes included in the bill are those that improve the administration of the proposed act and do not change the intent.

Members opposite have said much about the future directions of NRM legislative reform. It is acknowledged that the current bill only incorporates three pieces of legislation. Whether or not other natural resource management legislation should be linked in a different way or incorporated into this legislation will be the subject of a formal review involving public consultation as part of phase two of the reform process. Stakeholders are well aware of this, because it has been put to them on many occasions over the last 18 months or so. Any changes to legislation proposed through that review will be subject to parliamentary process.

Other natural resource management legislation that will be considered during the review process will include native vegetation, coast protection, South-East drainage, pastoral

land management and the Dog Fence Act. No decision has been made as to how any of those areas might be included. Certainly, in the area of native vegetation, we are contemplating how the regulations under the Native Vegetation Act could be made specific to the eight regions that are set up under the NRM legislation, so what may be appropriate in one region may not necessarily be appropriate in another region, and we need more fine tuning of the native vegetation regulations. I think that is something we should work on with some alacrity.

The government is committed to this review, and it is expected that this will be completed by the end of the 2006-07 financial year to coincide with the review required by the bill. As members would know, the bill itself includes a provision whereby it will be thoroughly reviewed within that time frame. This was one of the requests that the Farmers Federation made to us. We had an intention to review the legislation at some stage: they asked that it be done within that time frame and we were happy to comply with that request. Concern has also been expressed that the bill may, in future, cover marine resources. Natural resources in South Australia do include the marine area. Much of the consultation with the marine sector in the past has focused on the impact of the land on the marine environment. There needs to be a better understanding of these linkages and collective work to ensure that we maintain these environments for our continued use. However, it is not intended to manage the marine environment under this act. Fisheries, aquaculture, transport and the environment will still be managed under their separate management acts. I want to make that plain, because a suggestion was made during the second reading debate that somehow or other this legislation could be used to manage fisheries and aquaculture.

This bill allows the state and regional NRM plans to identify at a strategic level the major issues in the marine area, particularly for the marine terrestrial interactions that occur. The proposed regional NRM boards would have regulatory control only to the low watermark, but the regional NRM plans would need to address the terrestrial marine interactions, as do the current catchment water management plans. So, it is consistent with the framework we have in place already. This model has been established in the Natural Heritage Trust and the National Action Plan for Salinity and Water Quality. Both those programs are commonwealth programs and the INRM plans, which were established jointly with the commonwealth, that have been produced recently include marine issues.

The member for Davenport asked how this bill relates to the State Development Act. The bill continues the arrangements under the current Water Resources Act that provide that a proposed regional NRM may seek to have natural resource management outcomes included in a local government development plan.

Revision of these arrangements is part of a major review of the Development Act, and changes will be considered as part of the consultation currently ongoing on the Draft Sustainable Development Bill. In other words, we are maintaining what exists under the Water Resources Act and, through the process of consultation in the Development Bill, we may make changes to this legislation subsequently.

The member for Davenport also asked how this bill relates to the government's policy of no species loss. The bill will support other state legislation, such as the National Parks and Wildlife Act, the Wilderness Protection Act and the Native Vegetation Act in identifying and facilitating the management of biodiversity issues. This will particularly be achieved through the planning process. In addition, the government is committed to the policy of nature links, which is the appropriate linking of protected areas through the reserve system in South Australia with private land-holdings.

We would expect that over a five year planning cycle local boards would develop integrated natural resource management plans which include plans for biodiversity protection and will facilitate the connections between both public and private lands.

The member for Davenport has asked for information on the status of current regional offices and staffing that will be continued into the future. Consultation with the proposed regional NRM boards will determine appropriate details on regional delivery and staffing, including office location. The transitional provisions of this bill will ensure that no existing staff attached to the current boards will be disadvantaged. There will be no forced losses of jobs, but it is expected that on-ground delivery through these staff will improve with increased integration and through larger grouping of staff, reducing the time that individuals are currently required to spend on administration. In fact, having talked to a number of officers in various categories now, I know that they are looking forward to the integration process, because it means the jobs that they have and the career paths that they will have will be considerably improved.

The member for Davenport also asked how the success of this bill will be determined. The objective measure for the minister will be trends in the condition of natural resources, something that the State of the Environment Report has indicated is declining in many respects. This information as well as strategies to arrest and reverse decline will be provided in both the state and regional NRM plans.

The development of a monitoring and evaluation framework is well advanced as part of the INRM planning process. A function of the proposed NRM council is to ensure that NRM issues are considered when reports on the state of the environment are being prepared at the state level, that is, clause 18(1)(e)(iii). The benchmark provided by the 2003 State of the Environment Report for South Australia has noted, amongst other things, generally declining quality of rivers, streams and wetlands; long-term increase in dry land salinity expected; increasing soil acidity; unsustainable loss of soil and cause for concern regarding introduced species and plant diseases, Mundulla yellows and phytophthora. The proposed NRM council and regional NRM boards will also record their achievements against the state and regional NRM plans in their annual reports.

I turn now to institutional arrangements. Several members opposite have expressed concern with regard to the objects and principles established by the bill. I can advise that this section of the bill was the subject of detailed review and discussion, and ultimately agreed to by the INRM council, with the assistance of a subcommittee of the interim NRM council involving the Department of Environment and Heritage, the Department of Water, Land and Biodiversity, Conservation and the South Australian Farmers Federation, as well as the national parks council representative on the interim NRM council.

The principles were considered extremely significant by the interim NRM council as providing a guiding framework for interpreting the legislation. Key stakeholder bodies, including SAFF, LGA and the Conservation Council of South Australia have supported the objects and principles. This underlines the true consensus nature of this legislation. We

have worked this very hard with all of what might be considered the competing interests to come up with a parcel of legislation reform which has the general support of all those bodies with differing interests.

Some concern has also been expressed that the bill comes under the direction of one minister. The member for Davenport has suggested that this will remove the intellectual rigour of debate between several ministers. Integrated decision making is facilitated through the process provided by the bill. Cabinet will be involved in a number of processes provided by the bill where the Governor's assent is required, and it is through that process that that kind of intellectual rigour between ministers occurs, as I am sure the member for Davenport will recall from his time as a member of cabinet. However, it is acknowledged that the consultation with a range of ministers in relation to aspects of the bill is desirable. In fact, a function of the minister is to promote the pursuits of the objects of this act by state and local government bodies, and this will be achieved by consultation with the appropriate ministers.

Built into the structure that we are establishing is the inclusion at every level of the new arrangements of representatives of both my departments and also the department of the Minister for Agriculture, Food and Fisheries. There will be a PIRSA representative on each of the boards and, indeed, on the state council; and the PIRSA representative has been on the interim council we have established. In addition, the heads of the various departments who have an interest in this area, including PIRSA, have formed a working group and have been assisting in the development of this legislation. We have absolutely ensured that the views of PIRSA have been included in this process.

The member for Chaffey has informed me of an amendment that she is having prepared requiring the minister to consult with ministers responsible for other portfolio areas before taking to cabinet proposed amendments for the proposed NRM council and regional NRM boards. I have not yet seen that amendment—it has not been filed—but I am supportive of the general intent, and I indicate, subject to seeing the amendment, that we will support that proposition. I hope that will allay some of the concerns that members have about only one minister being involved in the process.

Opposition members have also raised concerns about too much power being vested in one minister. The minister is responsible for numerous functions under the legislation, as appropriate. The opposition has in fact sought to increase the minister's power in some areas such as the power of a proposed regional NRM board to acquire land and an oversight of the provision of financial assistance by proposed regional NRM boards. I understand that the member for Stuart has particular concerns about the power of boards to acquire land. While I am comfortable with the current provisions, the government is preparing an amendment to the bill to give the minister greater control in these areas. I am happy to see that fall whichever way the committee determines that it ought to fall.

At the same time, however, the member for Davenport has expressed some concern with regard to the minister's power of direction over proposed regional NRM boards and groups. As members would recall, the boards were established (one for each of the eight regions), and then groups can be established under each of these NRM boards. Clearly, in order to achieve the objectives of the act and the minister's responsibilities, power of direction over proposed regional NRM boards is appropriate.

Mr Speaker, you made a comment on, I think, Thursday during question time about the desirability of ministers being responsible to this house for the operation of those boards. I agree; it is essential that the minister of the day can come in here and answer questions and be responsible for the operation of those boards. The flip side of that is that the minister has to have power of direction over those boards as well, because they are instruments of the state, not independent entities which operate outside the overall framework of government policy. For example, water boards now operate within the state water plan, and the minister of the day (myself) currently is responsible to the house and can be asked questions about the operation of those boards. Nevertheless, the government is prepared to consider an amendment to remove such power over proposed regional NRM groups as this would focus any ministerial direction through the one body.

Some concern is expressed by opposition members with regard to the size of the regions and regional boundaries. During the process of consultation with the stakeholders, the majority of people were prepared to work within the boundaries as currently defined. I made it clear when I was introducing this policy for discussion that one decision I had made was that the boundaries would be based on water catchment boundaries, not on some cadastral boundary. I also said we would be happy, after the legislation was passed, to have a review of the boundaries but that, if we started talking about the boundaries at the very beginning, it was highly likely that we would not proceed very far at all, because that is something on which it is very difficult to get a consensus.

There have also been some comments about the location of boundaries. From the point of view of natural resource management, the location of boundaries is appropriately based on catchments, as I said, rather than local government boundaries. In many cases, changing the boundaries raises a new set of issues. Consequently, the bill was amended over Christmas to allow groups to operate across boundaries where necessary. Such a situation would be a group on one side of a regional board wanting to work with a group on the other side. They would establish a cross-boundary group. We agreed to that through the consultation process. There are a couple of places where that may turn out to be necessary.

The commonwealth has also agreed that these regions will suit the delivery of NHT and NAP funding. I think this is a major advance, because at the moment in South Australia we have state arrangements with state funding. We then have an overlay of commonwealth boards and approval processes and funding arrangements, all of which cost money and either duplicate or are different from what is happening through state and regional boards. We have got agreement from the commonwealth that we will have one set of arrangements for their purposes and our purposes. I believe that will improve service delivery and understanding and goal-setting at a local level quite dramatically. I think we will be the only state in the commonwealth where that arrangement will be in place.

Nevertheless, I have made a clear commitment that I am prepared to review boundaries following the implementation of the legislation, and I have indicated through the forum process that I would give favourable consideration to changes if all appropriate parties concur. The bill does not set the regions; rather, it sets a process for considering the boundaries.

Some members have expressed confusion about the structure and function of committees that may be set up under the bill. Committees may be set up under the proposed NRM

Council boards and groups to advise and assist if determined appropriate by the respective body. So, for example, in the area covering your electorate, Mr Speaker, it may be appropriate for a committee to be set up which could advise on branched broomrape. It would be a specialised body that knew a lot about a particular issue which could give advice to the board or group in a particular region. It is not intended that the committees be operational but support the proposed NRM Council boards and groups in doing their work. The same arrangements exist under the current acts but few have been formed, and I expect that this will continue to be the case.

The minister may also require the establishment of committees under regulation if the minister thinks it is appropriate. For example, at this stage following representation from the Aboriginal INRM group on behalf of Aboriginal people, I have committed to requiring the establishment of an Aboriginal advisory committee to the proposed NRM Council and advisory committees to the proposed regional NRM boards on Aboriginal issues.

The member for Davenport sought examples of inconsistencies in the current implementation of the current acts and asked if they could be solved more simply. The Statutory Authorities Review Committee of parliament, in its 26th report on the inquiry into animal and plant control boards and soil conservation boards, noted in evidence issues relating to duplication and overlap between NRM authorities that were impeding efficiency and success in delivering programs. For example, in a submission to the committee, Mr Clem Fitzgerald, a farmer from north of Kimba and also a member of local government, the Animal and Plant Control Board and the Soil Conservation Board, concluded that the soil conservation and animal and plant control acts do not work in conjunction with each other. He also said that, in the funding relationships between local and state governments, PIRSA and the community, the acts were not compatible.

Examples of conflict between the separate aspects of natural resources management have included such things as weed control on sandhills conflicting with soil conservation objectives; weed control practices to remove gorse on banks of watercourses, creating conditions for increased erosion; and institutional differences about responsibility for rabbit control (pest animals) and also the cause of soil erosion. I have also had conversations with Mr Wayne Cornish, the chair of the Eyre Peninsula board, who has told me about similar issues in relation to the Water Resources Act and other acts.

The member for Davenport expressed concern about the power of a proposed regional NRM board to enter occupied land provided by clause 34 of the bill. The purpose of this clause is to ensure that a proposed regional NRM board may enter land in emergency situations, such as flood control and infrastructure damage maintenance, or to facilitate an investigation as to whether works are needed. Notification of the landholder is required. Equivalent powers are available to local government, for example, with regard to stormwater management. The clause is not about a proposed regional NRM board setting up camp on someone's land and, in view of the member for Davenport's concerns, the government will introduce an amendment that will clarify this point.

The member for Davenport has suggested, and was concerned, that NRM groups may not undertake business activities. In fact, they can, but subject to some oversight by the minister. This oversight will ensure that groups are focused on their formal role of on-ground NRM delivery.

I turn now to operational arrangements. The member for Davenport noted that the owner of land in which a watercourse is present must maintain that watercourse in good condition. He is concerned about the impact of this obligation if a proposed regional NRM board or local council uses the watercourse for stormwater management. This provision has come across from the Water Resources Act virtually unchanged. It is possible for the proposed regional NRM board to assume responsibility for maintenance and protection of water resources if the owner of the land grants an easement to the proposed regional NRM board. It would not be appropriate to assign this responsibility to a proposed regional NRM board unless the proposed regional NRM board owned the land or had been granted an easement.

The member for Davenport was concerned about the reference in clause 132(1)(a)(ii) that relates to the issue of a notice to rectify unauthorised activity in relation to provisions of this bill or a corresponding previous enactment, and he asked what these previous acts might be. Previous enactments are defined in clause 3 as those referred to in schedule 4, part 17, clause 43, namely, the animal and plant, soil conservation and water resources acts. This facilitates continuity through transition to carry forward issues which may have been the subject of a notice under the previous act but which require further action.

The member for Davenport also notes that a licence for water might restrict the purpose for which water may be used. This provision comes across unchanged from section 29 of the Water Resources Act and maintains the same regulatory regime which ensures that water is allocated appropriately when area-based allocations are sought. The purpose of this section is the allocation of water, not to dictate what crops may be grown with a certain amount of water. Where an area moves to volumetric measuring, there will be no need at all to relate to the type of crop on which the water is used. However, pending the establishment of volumetric allocations, the area of land and type of crop to be irrigated is used as a way of determining the amount of water allocated.

On licences where a crop is stated, a licensee may apply to vary this to refer to a different crop and this will be considered on the basis of the relative crop water requirements of the crop currently stated on the licence and the proposed crop. The objective is to have all licences in the prescribed area of the state eventually issued with volumetric allocations, and that is consistent with the State Water Plan which was introduced by the member for Unley when he was the relevant minister.

The member Davenport has noted that penalties in this bill have been increased and has questioned the reason for this. Penalties have been updated to better reflect current penalties in other acts and provisions nationally. For example, it better reflects the value of water because under the present legislation the penalty has been regarded by some as a reasonable fee for overuse of water. In legal proceedings magistrate Mr A.R. Newman described the current penalties for the unauthorised taking of water as grossly inadequate given the high value of the water taken. In his remarks on penalty in the case between the Department of Water, Land, Biodiversity and Conservation and Smart, magistrate Newman stated, amongst other things:

> It was seen from what has been put to me that if the defendants had been in a position to purchase the water they used in the first year, it would have cost them something in the order of $30 000 or more and probably in the second year something like $50 000 or more. This is the fee that they have not been required to pay because

they effectively took the water without allocation. The penalties prescribed by the legislation, given the financial gains that can be made, seem to me to be grossly inadequate. The maximum penalty for breaching the licence is a $5 000 fine. Deterrence is very important in areas such as this, where unauthorised removal of natural resources is involved.

In other words: you do not have an allocation, you take $30 000 worth of water, and you pay $5 000. It is incredibly unfair on those who are doing the right thing.

A number of points have been made in relation to the appeal processes, including some concern that they are weaker than that provided in the current legislation. It is not the government's intention that appeal provisions should be weaker and the government will consider amendments in this regard.

The member for Davenport asked what effect this bill will have on government-owned land. The management of government-owned land has to be in accordance with the duty of care under the bill, which is consistent with the three existing acts. As with the statutes this bill would repeal, the Crown is bound and hence is required to comply with all the statutory duties and regulatory controls which apply under the legislation.

Prior to the adjournment of this debate, I was talking about funding for NRM delivery. Much has been said about the levy process and I wanted, at this time, to remind this place of statements made by the member for Mawson during the second reading debate on the catchment water management bill on 21 March 1995. He said of that levy:

I do not have any problems with respect to the levy. I believe it is not a matter of asking questions like,'I do not pollute: why should I pay?' The fact is that we are all South Australians, we all have a responsibility to this State, and as far as I am concerned each one of us should be paying that levy.

He then goes on to say:

The fact is that the rest of us have an obligation to look after the environment.

And again:

I not only support this levy but hope that, in time, that these sorts of initiatives will go a lot further.

That is what the member for Mawson had to say some nine years ago. What we are trying to do is advance the process of natural resource management reform.

The Hon. I.F. Evans: It is very selective, minister.

The Hon. J.D. HILL: It is the job of the person in debate, isn't it? I understand that the member for Davenport was concerned that the NRM bill would take on responsibility for storm water management and that this would have a significant impact on the raising of levies. I can assure the member for Davenport that the bill does not assign full responsibility for storm water management to a proposed regional NRM board. It clarifies that it is part of the role of proposed regional NRM boards to include information about action plans to address storm water management. Respective roles and responsibilities, including funding, will be subject to regional negotiation between proposed regional NRM boards and local government, and the state government and local government are working closely together to try to get a resolution of this issue generally because until now, of course, individual local councils have been looking after storm water issues and, as we know, storm water does not follow local government boundaries.

The member for Davenport noted that new or increased NRM levies would not be introduced until the 2006-07 financial year. This is provided for to ensure that there will be sufficient time for consultation with the community about the level of levies prior to new or increased NRM levies being introduced. The time frame we have in place now for the annual levies is such that it just would not happen until those two years have passed.

The member for Davenport and the member for Flinders have expressed concern that a plan may be amended by the minister to provide that that part of the levy collected may be spent on issues in another region. We talked about that last week. It is appropriate for one region to be able to fund works in another region where such works have relevance to natural resources management in the donor region. However, it was never the intention of the government to enable a minister to change a plan to provide for levy-shifting to unrelated works in another region. So, to ensure that any theoretical possibility of this might occur, the government will introduce an amendment to ensure that this may not happen.

The member for Davenport raised a number of issues in relation to the cost of levy collection by local government and he questioned why this bill does not provide for levies to be collected by Revenue SA. A simple and fair cost-recovery process is currently being negotiated with the councils through the LGA. It is appropriate to reimburse fair costs to local government to ensure that an equitable partnership for regional NRM is engendered between proposed regional NRM boards and local government. Local government is currently collecting the catchment board levies for minimal cost. As levy funding is tied to the proposed regional NRM board and spent, implementing the regional NRM plan consulted on with the regional community, it is considered appropriate to continue with the efficient system of collection provided by local government while agreeing to make it simpler for local government to recover fair collection costs.

At this stage I want to mention something that disturbed me in one of the themes running through the contributions by a number of members opposite. I do not say that all of them were in this category, and I refer in particular to comments made by the member for Flinders, but she was not alone in her comments about the role of public servants in relation to the matters that are before us. The member for Flinders had some fairly harsh things to say, I think, about public servants, and I will quote briefly from her speech. She said 'they harass the farmers'. She referred to them as the environmental constabulary, saying 'the environmental constabulary expect the farmer, who has not had the opportunity to receive a university education' and 'no country person would want department of environment people being in control with more power than they now have'. She misunderstands. This has nothing to do with the environment department. This is the Department of Water, Land and Biodiversity Conservation, and a large lump of those people have come out of the primary industries department, and they are persons who have primary industries backgrounds.

The member for Flinders referred to my department 'who have no empathy for our farming community'. Then she referred to the 'heavy-handed, fine first, warn later attitude shown by departmental officers'. She went on to make a number of comments. She then referred to 'all power, no responsibility for either department'. She talked about 'his massive'—that is me—'and still growing department of possibly over 1 000 paid officers'. In fact, the Department of Water, Land and Biodiversity has around 450 paid officers and a couple of hundred officers currently work in the various soil, animal, plant and pest control and water catchment

management authorities. I do not know where she got the figure of 1 000. She then said:

> Ownership of this bill must go back to the people who are going to pay the levy, particularly those dedicated farming people whom I now feel are being stripped of the power over their own destiny, which is being handed in some cases to their worst enemies—

presumably meaning the so-called bureaucrats. She talked about being deeply offended by the environmental officers, and so on. There is whole range of negative characterisations of public servants in the member's speech. It is fair enough for people to criticise individual public servants from time to time when they go over the line. All of us do that and that is part of the democratic process, but to characterise public servants as a class as being the enemy of farmers is absolutely unfair and unreasonable.

Many of these departmental officers who work in regional areas, either from the Department of Water, Land and Biodiversity or the environment department, the regional rangers and so on, are dedicated people who live in those rural communities. They send their children to school in those communities and, in some cases, if they did not send them to those schools, the schools would not exist. They buy their food and their provisions at local shops, they have their cars serviced in local service stations and they generally form part of that community.

Any time that a government attempts to close down or to reduce the amount of public servants in a local community, there are howls of protest from members opposite about cutbacks in regional communities. The public servants are the same people who provide support and help to those local communities. They are part of those local communities. I know that many of the officers in the Department of Water, Land and Biodiversity Conservation have rural backgrounds themselves. They are not city slickers without any knowledge telling people what to do. As I have said before, a substantial number of people from within the Department of Water, Land and Biodiversity Conservation are people who, in fact, until two years ago, were officers within the Department of Primary Industries. They have great sympathy for rural people.

I find it strange when I consider the remarks of the member for Flinders and compare them to correspondence that she sent to me in 2003. On 14 April, my office received from her a letter which stated:

Dear John,

Re Water Resources Officer.

> I am very disturbed about rumours that the catchment management officer's position is no longer going to be located on Eyre Peninsula. This position is held by Mark Sindicic and is located in Port Lincoln. However, he covers the whole vast region, as he is the sole person with the appropriate qualifications in Eyre Peninsula. Mark performs an extremely valuable role, as he is the principal adviser on water catchment issues.

On 18 December, she wrote to me again about another matter and, on 15 December 2003, she wrote again about this officer on Eyre Peninsula, pleading with me to keep these officers in attendance—these officers whom she criticises for being oppositionist and anti farmer. It does not make sense. I ask members opposite to restrain themselves when they refer to public servants. I do not mind their attacking me or the government, but I think it is unfair and unreasonable to attack public servants in the way that they continually do.

Many matters have been raised during the debate that I will not cover now, but they may be considered in more detail in the committee stage. To conclude this part of the debate, I will summarise some key aspects. It has been agreed that consultation on this bill has been extensive. It has been noted that key stakeholders have supported this bill, and people involved in the current arrangements, particularly the chairs of these groups, have advised me and the opposition that they would like the new arrangements to be implemented as soon as possible. The opposition appears to be a lone voice in objecting to the bill.

I have gauged from the debate that some members believe this bill to be an environment bill, rather than, as it is, one that seeks to ensure the sustainable use of natural resources for both present and future generations. The bill largely maintains the regulatory controls of the three existing pieces of legislation in relation to soil, water and animal and plant control, with changes to the institutional arrangements to facilitate integrated decision making through skills based community bodies. These bodies will have the responsibility to develop plans and to determine funding sources to facilitate natural resource management. Bringing these people together will allow them to share their specialist expertise and knowledge to develop solutions to NRM issues which recognise the undeniable connections between soil, water and pest species management, as well as to provide more efficient and effective services.

A formal role is in place to involve the broader community in this decision making, and checks and balances are provided, including a review by the Natural Resources Committee of parliament, which has a formal role in reviewing the levels of levies proposed. Ecologically sustainable development principles are the basis of this legislation, but that should be no cause for concern. ESD is the basis of the Water Resources Act passed in 1997 under a Liberal government. ESD requires a triple bottom line approach to be taken—that is, economic, social and environmental issues and outcomes all need to be considered, and none of these objectives takes precedence.

Reference to ecological integrity and biological diversity as fundamental considerations in the objectives of this bill does not mean that they are the main objectives: it means merely that these are significant matters that need to be taken into account in decision making. I am sure that the opposition does not believe that we can continue to ignore the significance of natural resource degradation issues and not take ecological integrity and biodiversity outcomes into account when determining future use of natural resources. Achieving a certain future through sustainable primary industry is about balancing conservation and development—that it is understood by all land managers—and that is the approach that this bill promotes.

The NRM bill will establish a supportive and collaborative institutional framework in which all levels of government and the community will be able to work together to achieve a sustainable future. The level of proposed community involvement and the potential contribution of levy funding from the entire regional community will ensure that there is sensitivity to the needs of primary producers in the process of negotiation and adaptation that is required to make sure that South Australia protects its natural resources into the future. I again commend this bill to the house and reiterate that the government is prepared to positively review any amendments proposed by the opposition that will improve the bill. On that point, I just indicate that I have had a number of amendments prepared over the last couple of days.

I have not signed off on them yet, because I first wish to consult with the Farmers Federation, the local government authority and other key stakeholders. But I am prepared to

hand a copy of these amendments to the opposition and to the Independents in this house. I will not table them: I will just pass them over, so that members are aware of some of the amendments that we are considering. These amendments pick up some of the issues that were raised during the second reading speeches of those opposite.

Mr Venning: Legislation on the run.

The Hon. J.D. HILL: I think it is very unfair of the member to say 'legislation on the run'. I am trying to pick up some of the concerns that he and others have had. They are fairly technical in their nature. I understand that members of the opposition have a number of amendments. It would facilitate the debate if they would let me look at their amendments before the debate occurs tomorrow evening so I can have officers look at and give some consideration to them, and advice to me. If they are able to be supported, I will support them.

The SPEAKER: Given the 22 000 people whom I represent, for better or for worse, and as has been the instance in the past, the remarks that I wish to make are to ensure that they understand how I think on the matter and whether or not they believe that, therefore, to be in accord with what they would want. I confess to the house that I was lobbied several months ago by a large number of people who, like me, were enthusiastic from the outset about the concept behind this legislation. However, in more recent times I am unable to say that they would be as enthusiastic as they were at that time if they had the opportunity now to read and to more carefully understand, through the structure of the act, what it might do and what its underlying assumptions are, not so much in the direction in which it seeks to obtain control over water, land and biodiversity but, more particularly, the bureaucratic mechanisms of it.

I would have to say that, in the first instance, I am disturbed that the legislation, unlike any law we have passed before, does not ascribe responsibility to a particular minister other than by regulation. (The member for Schubert will acknowledge the fact that, when the Speaker is on his feet, no honourable member should leave the chamber, as some have already done.) It is my melancholy duty to have to point out that, whereas Frankenstein was a monster that took control of its destiny outside that of its creator, I would see that this is not a 'stein' but rather a 'frankenlaw' in that, in administrative terms, it disturbs me immensely that the structure that is within it might mean that the public service, albeit well meaning at the time, could take the administration of affairs in a different direction to what any of us, including the minister, might imagine at this moment. I will conclude my remarks after the dinner adjournment.

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

The SPEAKER: Prior to the dinner adjournment, as the member for Hammond, I was making my remarks in a way which, without engaging in debate with honourable members, set down nonetheless the basis upon which I have viewed the legislative change that is proposed in the form we have before us on the integrated Natural Resources Management Bill and the manner in which it passed the second reading. I look forward to the committee stage. I have made the point that, whereas Frankenstein got away from its creator and did far more damage than its creator had ever imagined, such an expression has now been adapted in our contemporary language to refer to some things as 'Frankenfood'. I am saying that this piece of legislation is a bit like 'Frankenlaw' in that I think that what is being created is not well understood and the framework through which we are doing it is not well understood.

The minister will be accountable not through the legislation but rather through the unfortunate arrangement proposed in the legislation by regulation. That ought not to be. Parliament ought to, wherever possible, make statute law and not leave it to the bureaucracy to advise a minister to make law by subordinate authority which really takes over. So, it is a bit like a curate's egg. It is good in parts, it is well-intentioned, but, when it is laid, the hen bird that has laid it (this parliament) will think it worthy to nurture and encourage.

I believe that the legislation ought to have a sunset provision because I see it as an egg from a cuckoo in the nest and, upon being hatched, will appear every bit the desirable chick, but in no time at all it will set about thrashing the other nestlings around it and throwing them out of the nest—finally taking so much from its parents that they will be unable to control it, at which point of course it will fledge and take off in a direction which its surrogate parents never imagined was likely. That is because of the way in which the authority, provided through the legislation, is so structured.

Too much is left to the discretion of the minister and not enough is left to other people—that is, the citizens at large—to express their view about the desirability of what is happening. Indeed, none of the people to be appointed will be elected and accountable to those who they will govern, those whose practices will be the subject of their scrutiny and determination as to what is possible and what is not. Already, some of the forms that I have seen drafted to be used with the authority of the legislation have disturbed me, hence the reason for my remarks in these terms this evening. I mean no disrespect whatever to any honourable member who has put an alternative view to that which I express, least of all to the minister who is a man with a commitment to excellence and honourable conduct; but, like any other minister, the minister of the day is not the minister forever and, whoever takes over the role, may have a different view of the way in which the powers provided to the minister are exercised, and that is my worry.

I see that there is the means by which the argument will arise, in fairly short order, in the minister's mind, if not put to him by some of the public servants who work with the legislation, that if it does not say you cannot do it it must mean that you can, even though, that, too, is not spelt out. That is my worry. I think that to be wrong, for parliament to legislate in such fashion, without putting sunset clauses into the legislation to compel the parliament itself to again revisit the way in which the legislation is working, at regular intervals, and reinstate it and bodies created by it as a deliberate proposition coming from it. If parliament through a sunset clause does not do that then, indeed, this is dangerous legislation, not so much necessarily because of its impact, or otherwise, on integrated natural resource management but because of its poor example as a way to go in the future. It is the wrong direction.

I am chastened by the knowledge of what happened in native vegetation when I make that remark, and I am saying, in conclusion of my remarks, that there are public servants who cannot be trusted honourably, and I do not think that it is improper for me to mention—indeed, to state—my concern about it by illustrating through example what I am referring. In statutory declarations provided to ministers and to

government, citizens have said where they have been misrepresented by public servants. In a particular case, I know that a man (the late Dan Mahar) from the far West Coast, his wife and their property were very badly dealt with by one Craig Whisson who, for his pains and maladministration, has been appointed to even higher office than he enjoyed at the time he committed those offences mentioned in their statutory declarations.

It is improper for a public servant to forge the signature of any person or a statement of any person, or to change those statements above a signature, yet that is what happened. To change the statements above a signature and submit it to a government instrumentality, such as a board (and we create many of them through this legislation), and not to disclose after being challenged about it that it was done, and to deny that it was done and get away with it and finally be promoted, in consequence almost of having done it, is quite wrong, yet that is what happened. In this legislation we provide even greater opportunities than the native vegetation legislation in all its time has provided for such maladministration and improper conduct.

So, whilst all of us may be reassured by the remarks made by the minister, I repeat, as I said earlier, unfortunately, he will not be the minister forever, and those who come after will have the legislation to administer, and whomever it is that administers the legislation is not stated in the statute but determined in regulation. Both of those things are wrong. The cuckoos do take over.

Bill read a second time.

In committee.

Clause 1.

The Hon. J.D. HILL: May I make a quick observation before we start? I will not take the house's time. I have listened to the observations of the Speaker during the second reading debate. I did not have a chance to hear what he had to say before I made my contribution. I will consider the issues that he raised and, during the committee stage, I will address the concerns that he has also raised.

Mr WILLIAMS: I have considered moving an amendment to this clause, but I will desist from doing that. May I take the opportunity to say that I think the clause does not reflect the nature of this bill, and I think it would be much better if this bill was entitled, by way of short title, 'The Natural Resources Management and Environmental Funding Bill' because it would much more reflect what this bill is all about. I put on record my feeling about this. I believe this bill is more about raising tax to fund so-called environmental works than it is about managing the environmental resources of the state.

Clause passed.

Progress reported; committee to sit again.

GENETICALLY MODIFIED CROPS MANAGEMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 1734.)

The Hon. R.B. SUCH (Fisher): I want to make a brief contribution. This issue, which is part of the wider issue of genetic modification, is often surrounded by much emotion and, sometimes, less information and less knowledge than one would like. I do not profess to be a scientist involved in genetic manipulation of plant or any other material. It is important to put this whole issue into context, because there is a danger that we can get carried away with what often amounts to anti-scientific attitudes and behaviour. I draw members' attention to the reports that were produced by the Social Development Committee, which was chaired by the Hon. Caroline Schaefer and which looked at not only the question of genetically modified foods but also genetic modification in respect of health issues; and those reports obviously are available through the parliament.

What we are seeing today, still on a wide scale, is what I would call anti-science. One of the questions that was put to the scientists who were supporting genetic modification and genetic research was, 'Are you prepared to eat, or have your family eat, the cereals and the other products that have been involved with genetic modification?' The answer from the highly respected people working at Waite Institute and elsewhere was, 'Yes.'

One could say that this bill represents a significant degree of caution in an area which is at the forefront of scientific endeavour. We must be careful that we do not get to a point where we stifle productive research. I do not believe this bill will do that, but we have to be careful that we do not get into that situation. It was a concern that was raised recently in Western Australia, where the government has moved to introduce restrictions on genetically modified crops and other primary products.

Humans have been manipulating genes in one way or another for a long time. The fact that we have various breeds of animals and plants is a reflection of that. We hear about people consuming wheat. Wheat as we have it today, I am told—and I am not an expert—is nothing like those sources from which it was derived and bred (pardon the pun). I remember, quite clearly, that the Social Development Committee had a presentation from the head of the national grocers federation or organisation (I forget the correct title), and I said to them, 'Your members, for example, the big supermarkets, the little supermarkets and other food outlets use terms such as natural, fresh and organic.' I asked him to define those terms, but he could not do it. I said, 'What do you mean by 'natural'? What is 'natural'?' He could not define it, yet we hear people talk about natural foods, which is very much a grey area. Indeed, in the advertising of some of these things it is quite misleading. I am not trying to be flippant but snake poison is natural, although it is not good for you if you receive it at the end of a fang.

We must be careful that we do not go down a path of people with red flags in front of motor cars and railway engines and the flat earth society. The reality is that with science, even though people try to restrict it at times (and I am not against having codes of practice and proper protocols), we must be careful that we do not get to a situation where significant groups in the community, often largely through personal prejudice and emotion, try to restrict the advancement of science and the increase in productivity by farmers or others.

If members look at the positives of some of the potential of genetic modification, they will see that one is fewer weeds and fewer sprays, and farmers getting a bigger return on their expenditure. The critics say that the big companies such as Monsanto will get a big return. But if you are getting a bigger return as a farmer, as a result of using someone else's technology, you have to be better off in the financial sense.

I know there are some risks and that is why protocols are to be put in place. We do not know all the possible outcomes of interbreeding and the possibilities of what might happen in relation to native plants and things such as that, but the

reality is that countries such as China and India are going flat out on genetic modification of crops as one way of feeding the increasing population of this world. Any science, no matter what it is, can have a potential downside (look at nuclear energy—you can use it for generating electricity or blowing up people) but it also has an upside, and sensible people manage these things. There is a risk in all aspects of life and the question is managing the risk so that you do not have unnecessary risk or resulting injury and harm to people which is unnecessary and not worth the offset.

So, I believe this measure before us is reasonable. I note that in an assessment made by someone who is independent that the bill does not satisfy either the pro- or the anti-GM people. I guess that may well suggest that the bill takes a fairly appropriate course of action. It is important that we do not allow ignorance to rule the roost but, at the same time, we need to be careful that we do not allow unnecessary risks to individuals and the wider environment.

The concept of a GM-free zone I think is very difficult, because you can argue that people have a right to produce crops that are not influenced by genetic modification of the modern type over and above what has been traditionally done through plant breeding and animal breeding but, at the same time, you can argue that other people have the right to use GM crops. So, the two essentially are incompatible, in my view, and I am not sure how you can enforce a GM-free zone even in places such as Kangaroo Island, because what happens if farmers on Kangaroo Island want to produce GM crops? What is the legal consequence of their being denied that, just as those who do not want to grow them may want to exercise their legal right? So, in a sense, it is a no win situation as I see it.

I stand to be corrected by the minister if I have it wrong, but I see the notion of GM-free zones as being basically and essentially unworkable. The reality is that, whether people like it or not, they are probably consuming genetically modified food products now. The United States is strongly into genetic modification in certain of its crops such as maize and canola, as are the Canadians, and, as I said earlier, the Chinese are going flat out to use every aspect of genetic modification they can come up with.

I accept that the bill tries to deal with a difficult issue. You will not get everyone on board. There will be people who will not accept genetic modification, no matter what the scientific argument and no matter what evidence is provided because, at the end of the day, much of the attitude is really in some ways akin to a religious belief. It is like some of the arguments relating to organic foods and, whilst there is merit, obviously, in much of what is promoted as organic, there are also some great risks in terms of some of the pathogens that can be associated with placing manure directly onto certain crops—fruits and vegetables and so on—that are eaten by humans. What happened with Nippy's orange juice was a classic case of excreta being sprayed onto oranges, as I understand it. I do not know whether it was human or animal waste, but it was sprayed onto the oranges and then got into the juice system and caused much heartache and cost to Nippy's and the consumers.

What I am saying is that I think we have to be careful about a lot of the labelling, a lot of the emotion and a lot of the rhetoric. This is the case if you are living in a society where science has largely been denigrated, because people blame the tool, not the person who uses it, and people blame the scientist, not the wider community or those who implement scientific discovery. If you have a community where you have a huge element of ignorance relating to what is involved in terms of scientific principle and so on then it is not surprising that people are going to be spooked, and that scare or fear factor is going to be very prominent in terms of influencing consumers.

I accept that you have to be careful in the production and in the marketing, but I would predict that within 30 or 40 years people will be eating genetically modified, in the very much influenced techniques that we have today, and they will not even give it a second thought. There is all this talk about tomato flavoured fish and so on, which, I am told, is a load of nonsense, but the reality is that what is being done now with science is intervening in a more intense way, a more comprehensive way. It is an extension and an indepth approach to what we have been doing for many years. If you look at the cattle or the sheep, the plants that we have, they are the result of genetic modification over time, but not in the intense or comprehensive way that we can do it now with some of the modern techniques.

I commend the government for this bill. It will have an interesting time when it becomes an act, because, as I said earlier, it will not satisfy everyone. It never will, but I hope that in the long run, knowledge and commonsense will prevail, rather than fear and ignorance.

The ACTING SPEAKER (Hon. G.M. Gunn): The member for MacKillop. I take it the member for MacKillop is the lead speaker for the opposition.

Mr WILLIAMS (MacKillop): Thank you, Mr Acting Speaker, you have assumed correctly; I am the lead speaker for the opposition. In opening my remarks, may I say that, as a practising farmer, amongst other things I do grow canola on my farm in the South-East. As this bill is largely about canola I will declare my interest right from the outset. I also indicate that the opposition broadly supports this bill—and I say 'broadly' supports the bill. We are disappointed that the bill does not do a lot more than has been presented, but one of the things you learn in a place like this is how to count. We know what we can achieve and what we cannot achieve. The bill could be a lot worse, and I hope that the people that this bill will be able to work for will be satisfied with the outcome that we end up with tonight.

A number of my colleagues have questioned the timing of this bill and the fact that we are sitting here on a Monday evening, which is a little unusual. I certainly support the minister, and if this bill does not get through the house this week it will be some weeks before the parliament can consider it and, indeed, we might find ourselves with no regulations and no control mechanisms whatsoever. I can tell the house that we had a fairly decent rainfall in the Lower South-East last evening, and with another rainfall event like that over the next few weeks farmers would be able to start planting if they wanted to beat the legislation, and we could have GM canola potentially planted in the South-East of the state.

I understand the minister's anxiety to get this bill through the parliament. It disappoints me that we are pressured for time for this and a number of other bills that have been foisted on us in a very short space of time. I suggest that the government probably knew six or 12 months ago that we were going to come up against these time lines and it is a pity that we were not debating this bill in a more timely fashion several months ago. Be that as it may, we will press on tonight and hopefully we will not be here too late in the evening. I want briefly to explain the gene technology

regulatory scheme not only for the benefit of the general public who might pick up *Hansard* or the media who might pick up *Hansard* and report what we are doing tonight but also for the benefit of a number of members, because I suspect that a number of them do not understand the gene technology regulatory scheme that we have adopted in Australia. It is important that everyone is well aware of what this bill is about and what it can and cannot do.

We have a scheme of arrangement between all the states and territories and the commonwealth government, which scheme of arrangement was developed some years ago, and we have a commonwealth piece of legislation called the Gene Technology Act 2000. That piece of legislation was passed through the commonwealth parliament three to four years ago. Amongst other things, this act has established what we do with regard to this technology, that is, genetic engineering technology in Australia. It establishes, amongst other things, the Office of the Gene Technology Regulator. I think most people in the community who have been following the GM debate over recent years have probably heard about the Office of the Gene Technology Regulator more than any other regulatory body or system, because that is the peak regulator in this country. The functions of the OGTR—and I know the minister talked about Dr Sue Meek being the Gene Technology Regulator—are to accept applications for licences to release GM crops into the environment and to assess whether those particular crops, plants, or species (however we might refer to them) comply with that act and whether they will do no harm if they are released. When I say 'do no harm', it is the function of that body to ensure that there will be no harm to human health, the human environment or the environment in general.

We have to understand that what we are talking about tonight has nothing to do with any impacts of GM technology on those three areas—human health, the human environment or the environment in general. They are all taken care of in another jurisdiction. This parliament has already given away its jurisdiction over those areas, and that is an issue that I cannot emphasise enough, because I am sure some members of this house still do not fully understand that system. As a consequence, what we are talking about now is that the states are left with jurisdiction over marketing aspects of GM technology. There is a lot of opposition to GM technology not only in this community but also throughout the world. As you said, Mr Deputy Speaker, there is a lot of misinformation abroad, and I would certainly back up those comments. One should question why so much misinformation is out there, but various people for their own reasons have chosen to undermine this technology, not unlike the Luddites in England a few hundred years ago.

Any new technology, particularly when it is groundbreaking technology, is always difficult for a community to embrace, and I am sure that it will be some years before this technology is fully accepted by communities across the world. However, we have to concentrate on the marketing effects caused by any entry by South Australia into GM technology. I will refer to a couple of paragraphs from the recent Australian Bureau of Agricultural and Resource Economics (ABARE) study done into genetically modified grains. It is called 'Genetically Modified Grains—Market Implications for Australian Grain Growers' and it is quite a substantial document. On page 6 of the executive summary, it is stated:

> In the main, the current generation of GM grain crops apparently offers significant agronomic benefits and, thus, the promise of lower prices to consumers. The next generation of GM crops is likely to offer significant benefits in terms of quality.

At the moment, most of the benefits that have been offered are of an agronomic nature. I will come to that more fully later, but we are talking about the actual production side of these crops. The reality is that all we are talking about today in Australia are two crops which can potentially be grown in South Australia and which will be subject to this bill. They are both canola and generate canola seed or rape seed for the production of canola oil. There is what we call Roundup Ready canola, which has been developed by Monsanto, and InVigor, which is also a herbicide resistant canola. It is resistant to a particular herbicide which is from a different family than Roundup: glyphosate, or Zero, as the home gardener probably knows it.

So, we have these two canola plants which have been developed with herbicide resistance. The agronomic benefit of these plants is that the farmer can plant his crop without being too concerned about weed control prior to sowing. That can often be a difficulty, particularly in the more southern and wetter areas of Australia, because traditional tillage methods can be gazumped by the season. If the season is wet, the farmer does not have the opportunity to get good weed control through those methods and relies on chemicals. If we are going to rely on chemicals, surely it would be better to plant the crop and have it emerge along with all the weeds, and then spray it with a particular chemical which will not harm the crop but which will wipe out all the weeds.

That is what this technology is based on, and that is exactly what it does. You can spray Monsanto Roundup Ready canola with Roundup to get rid of most of the weeds that appear with the crop. Bayer CropScience uses a different chemical, the name of which escapes me at the moment, but that is not important to the debate. This chemical is currently sold and used agriculturally in Australia under the trade name of Basta. The point I want to make is that we have heard this nonsense about developing super weeds which develop resistance to chemicals. The reality is that the canola species that has been developed to take advantage of herbicide resistance is a broadleaf plant. As a practising farmer, if I wanted to spray out a broadleaf weed, whether it be a brassica (the family to which canola belongs) or any other broadleaf weed, Roundup would not be my chemical of choice. I would use a chemical from a different family specifically designed to eradicate broadleaf weeds.

There is this misconception in the community. They fail to understand that different chemicals are used for different types of plants. Canola is a specific type of plant to which we refer in farming parlance as a broadleaf plant. Consequently, if you want to spray it out you would use a chemical designed to get rid of broadleaf plants consisting of probably dicamber or one of the amine type of chemicals, which are specifically designed to get rid of those weeds. It is a nonsense to suggest that by introducing genes which have resistance to Roundup or Basta we will develop super weeds that we cannot control.

I refer again to the ABARE report and the conclusions in chapter 9. I wish to quote extensively from this report because it makes some important statements. It states:

> Market premiums for non GM grain are significant indicators of the market's acceptance of GM grain crops. If significant premiums for non-GM grains do not evolve on a wide scale...eventual domination of the world grain market by GM grains would seem inevitable.

In other words, the marketplace will soon tell us, once it is allowed to operate, whether people will indeed buy GM or non GM. The reality is that the Japanese canola market is

probably the biggest market available to us to assess at the moment. We are told continually that the Japanese do not want GM product, but they continue to buy Canadian canola. Canada is the biggest producer of canola in the world, and the Japanese buy it irrespective of the fact that there is no distinction in Canada between GM and non GM and that a substantial proportion of their crop is GM. So, when the Japanese buy Canadian canola, they are buying GM product. In fact, they pay more for Canadian canola than they do for Australian canola, not because they want to pay a premium for GM product but because the Canadian canola has a higher oil content. The Japanese are actually buying the oil in it and, if is a few per cent higher in oil content, they will obviously extract more oil from the same tonnage of canola seed purchased.

No premium is paid in the world canola market for non GM canola. Some people say, 'Oh, but the Europeans won't buy GM canola out of Canada.' That has nothing to do with the GMs in it: it is all to do with the fact that the Europeans do not need to buy canola. They produce more canola than they can use domestically, so they choose to utilise their own home-grown canola. Again quoting from the report, the conclusions in chapter 9 state:

> Much of the issue of market access for GM crops is driven by surveys of consumer attitudes that appear to show fairly widespread disquiet over GM products. However, these survey results may be at odds with how consumers will actually respond to GM crop products in the marketplace.

As I have just said about the Japanese canola experience, the report goes on:

> Nevertheless, restrictions may prevent GM products from ever reaching the market. . .

That is one of the dangers: if we put too many restrictions on it, we will never know what the market would or would not have purchased. The report goes on to refer to the other danger, as follows:

> . . . or may load them with so many additional costs through compliance with regulations (such as traceability and labelling requirements) that they are uncompetitive with conventional products.

That is, we might build, through this sort of legislation, additional costs into the GM production systems which would make them uncompetitive with conventional crops. That is a danger because, if we do that, we will lose the benefits which will flow from this technology in the future. The report goes on:

> Moreover, in a mixed production environment (GM and non-GM) the additional costs may extend to conventional products.

That is another danger, that is, when we move down the regulatory path and talk about 'identity preservation', we should be talking about not only the preservation so that we can identify what is GM but also the need to identify what is not GM. So, as a consequence of regulating to control GM products, we will indeed increase the cost on non GM products.

As I have already said, I believe the GM debate—echoing the sentiments you have expressed, sir—is ideologically driven in most quarters. People have developed, for one reason or another, a position where they are against genetic engineering, and I cannot understand why. It disappoints me that one of the big arguments against this technology is the fact that there are a couple of large multinational companies that have been driving the technology. Now, I think that you are bereft of any real ideas if the only good argument that you have against GM technology is the fact that it is a large multinational company that is behind it and you want to stop that multinational company from deriving profits. It is the world that is going to be the loser if that sort of argument is allowed to prevail.

I think members need to be well aware that this legislation is only about food crops. We already have at least two other genetically modified crops in Australia. One is the blue carnation and, while I am not a great purchaser of cut flowers, I understand that it is quite widely grown and the community has had no problem with that. The other one is what we refer to as BT cotton, which is cotton that is resistant to a certain insect and which has dramatically reduced the amount of insecticide chemicals that are used in the cotton industry, and there has been no widespread outcry against the use of BT cotton in Australia. It is fascinating that people have a different attitude to food crops than they do to other crops, bearing in mind that two of the by-products of the cotton industry are cotton seed oil and cotton seed meal—both of which get into the food chain. Yet, I have never heard anyone complain about those—and I am absolutely certain that they are used in the food chain in Australia—notwithstanding the fact that BT cotton does not impact in South Australia, or certainly is not grown in South Australia.

GM technology is not just used in modifying plants either. The CSIRO is currently doing research into using GM technology to curb the number of feral animals in this country. They are actively involved in research at this very time into the mouse cytomegalovirus, a genetically manipulated virus which would induce sterility into the mouse population. The mouse population is not one that readily comes to mind in the broad community as being a pest species in Australia, but it certainly is to our cereal growers from time to time. I am sure members will be aware that there are a number of other pest species which this sort of technology may help us defeat in the not too distant future—things like rabbits, foxes and cane toads, etc.—and work is being, and will continue to be, done through the same technology to try to get on top of those other pest species.

I am getting very close to actually addressing the specifics of the bill, but there are a couple of other things I would like to say. There is one company operating in South Australia—and which has done for a fair number of years—and that is Bayer Crop Science, which has a number of trial plots in the minister's own electorate in the Lower South-East around Mount Gambier. This company has been trialing its particular herbicide-tolerant canola and it is my understanding that it has, in fact, been trialing those crops near Mount Gambier for no less than seven years. I am told that, after seven years of very important trial work building this technology, nothing has changed as far as the legal situation faced by Bayer Crop Science. We as a parliament have not been able to progress in seven years, and I certainly hope that tonight we will take a great leap forward.

The other point I would like to make is that probably just over the last week it has come to our attention that a lot of other states have decided that they are not game to put their toe in the water, that they want to continue to sit on the fence—if I can mix my metaphors. They are not game to embrace this technology. They are not game to look out with any vision whatsoever.

New South Wales has not come to a decision at this stage, but I understand that a number of other states have said that they will not go there. I find this very disappointing. After all, Australia relies very heavily on agricultural exports and, for Australia not to be at the cutting edge of technology, I find

disappointing, both as an Australian and as a practising farmer. We are competing on world markets with every agricultural product we produce and the only thing that has kept us competitive on those world markets is the fact that, ever since white man has been in this country, we have readily embraced every new piece of technology that has come along. I find it pathetic that major exporting states like Western Australia and Victoria are not able to come up with a system of regulations to allow them to continue to move ahead with this technology.

However, this presents huge opportunities for South Australia. Suddenly what the other states have done presents an opportunity for South Australia because, even though the US and Canada have embraced GM technology, being in the southern hemisphere we can also be a part of this new technology. If a company like Bayer or Monsanto or any other biotech company wants to be involved in this technology, and if it can produce a crop in both hemispheres, it can produce two crops a year, so it can double the rate at which it can improve the crop. These companies can use GM technology to speed up the process of getting the good things that they want to produce in their plant, and then they can use normal plant breeding to expand seed numbers through normal growing and harvesting of the seed. They can double that if they can produce in both the northern and southern hemispheres.

These companies want to be operating in the southern hemisphere. We do not have to be rocket scientists to work out where they might operate. They can operate in southern Africa, South America or Australia. They do not have a lot of choices, and my understanding is that these companies would much prefer to operate in Australia than elsewhere, for obvious reasons: the stability we have as a trading nation, our stability in government and the regulations that might apply to this industry, and the relative stability of our dollar as an international trading currency.

Even more importantly, they want to be able to use the technology that is available through our human asset, that is, the farmers in this country who are highly trained technologists in the growing and harvesting of crops. They want to operate here in Australia. If they are stopped from operating in all the other states, that presents a huge opportunity for South Australia to enter this new future for agriculture at the base level. We can use this to ensure that the major companies operate their trial plots and their seed-increasing plots in South Australia. If the government plays this right—and I lament that I do not believe that it has got it quite right—this is an opportunity to get some of those companies, which are represented in Australia, to set up their headquarters in Adelaide.

This is much bigger than just growing a few trial plots. If we want to, we can develop a major industry. All the things are in place that we need to develop this as an industry. In the South-East of the state we have the climate, we have the land availability and we have all the other things that go with that, particularly the availability of water. More importantly, as I said a few minutes ago, we have the farming community, who are well attuned to this sort of technology, that is, growing broad acre crops in an intensive fashion. In my electorate of MacKillop, we already produce about 90 per cent of the small seed produced in Australia. That is not done by accident: it is done because of all those factors that are already in place.

Most importantly, we have the farmers with the skills. In the Millicent district alone, we produce a huge amount of carrot seed and, a few years ago, when there was a crop failure in the Northern Hemisphere, the Millicent district, which comprises only a handful of farmers, produced 90 per cent of the world's supply of carrot seed. Again, that was not done by accident: it was done by a group of very dedicated farmers who are very highly skilled—the same skills that are used in this technology.

When some of these crops are sown, the male and female are planted and, at a certain time of the year, after they have been pollinated, the male plants are destroyed, the female plants are allowed to continue to grow and the seed is harvested from those. That is the technology, and these farmers have the knowledge, the equipment, the land, the water and so on, to do this. I think this is a great opportunity for South Australia to tap into this technology and to take advantage of the position in which we, fortunately, find ourselves, whilst the other states have decided that they do not want to go down this track. I do not see this as a negative for South Australia. It may be a negative for some of the companies that have already invested in those states and, if they have to move to South Australia, so be it; however, it is a positive for us.

Only last week the Premier opened the Australian Centre for Plant Functional Genomics and hailed the fact that we have the Waite Institute (now the Australian Centre for Plant Functional Genomics), which is a world-class plant breeding facility. And what is this facility doing? What work is it involved in? Professor Peter Langridge, with whom I spoke last week and again earlier this week, forwarded to me a paper which he had written and which gives an overview of some of the work that is done at the centre. It states that scientists at the Centre for Plant Functional Genomics:

> . . . are investigating how plants manage stressful situations, such as drought, waterlogging, frost and salinity, with the aim of developing innovative and environmentally attractive solutions using plant biotechnology.

It goes on to say that they want to identify and:

> . . . characterise the genes controlling adaptation to abiotic stresses in wheat, barley and model species. This information is used to develop new strategies for enhancing stress tolerance, to develop plants tolerant to multiple stresses and to identify mechanisms for extending stress tolerance well beyond that in existing germ plasm.
>
> Initially, the outcomes will be applied through conventional plant breeding programs. However, another possible outcome of this research will be the development of gene constructs that could be used to genetically modify crop plants to improve their adaptation to hostile conditions to which they are exposed throughout Australia.

You do not have to be a farmer to know that some of the most hostile conditions for broadacre farming that farmers face worldwide exist here in South Australia—particularly our broadacre cereal farmers in the Mallee and on Eyre Peninsula. That is what the Centre for Plant Functional Genomics is all about, and it is one of the reasons why it is here in Adelaide.

I applaud the Premier for being so fulsome in his praise of our winning the competition for the centre to be in Adelaide. We have the centre, but top, world-class scientists will not stay and work in that centre if they know that they are barred from dealing with GM technology. The best scientists in the world want to be at the cutting edge and, if they cannot do so in Adelaide because we have legislation that is so restrictive, they will go elsewhere. It is fantastic that we have that centre here in Adelaide. For goodness sake, let us make sure that it works for the farmers and the agriculturalists of South Australia.

I now come to the details of the bill. This is an unusual bill, the construct of which I do not particularly like. There are several reasons why the bill is constructed in the manner

in which it is. Unfortunately, as I said earlier, the government finds itself in the position where it has jurisdiction only over marketing factors. It has no jurisdiction over the environment or human health. There are several outside forces that may overturn what the government wants to achieve by this bill, one of which is the World Trade Organisation. The government has to be very careful that it does not encounter any problems with respect to the World Trade Organisation and that this bill cannot be overturned in another jurisdiction because it falls foul of protocols that we as a nation have signed off on with regard to the World Trade Organisation.

The farmers of Australia want the WTO to continue to do what it is trying to do, and that is to achieve free trade for agriculture products. The best thing that we could ever do for the Australian farmer is to have free trade in agriculture products right across the world, because Australian farmers believe that they are very efficient and would be able to compete on a level playing field with any other producer in the world. So, we have to be a bit careful with respect to the WTO.

I would also like to mention the intergovernmental agreement and the fact that the commonwealth government has passed legislation. As we all know, if our legislation runs into (so to speak) the commonwealth legislation, constitutionally, the commonwealth legislation will take precedence and our legislation will be ineffective. That is another reason why this bill is constructed differently from most other bills that we consider in the house. The way in which this bill is constructed is that, basically, everything that will happen will be done by way of regulation. The bill merely gives head powers to the minister.

Philosophically, I have a grave problem with this. We will be voting on a bill and taking on trust what the minister (and, in this case, his predecessor, who introduced this bill in the other place) said the regulations will be. Of course, we have not seen the regulations, as usual, and we have to take on trust that the regulations will, indeed, do what we have been told they will do. That is a big ask of me because, in the relatively short time that I have been in this place, I have regularly been disappointed when I have been told that a certain outcome would flow from actions that have been taken only to find that the bureaucrats, the courts, or whatever, have interpreted a section of an act or a regulation differently from what I was told the outcome would be.

It is with some degree of reluctance that I say that the Liberal Party broadly supports this piece of legislation. But that is what we have and, unfortunately, our choices are very limited. However, I wish to put on the public record that I have grave concerns about this legislation. In that respect, at least, I think it is a very poor piece of legislation. But I accept that we have to live with what we have.

The legislation purports to cover the recommendations of the select committee, and the minister talked about the House of Assembly select committee that reported to the house on 17 July last year on genetically modified organisms. The select committee came up with 16 recommendations which I will very briefly endeavour to run through, and in a very general sense cover what those recommendations stated. I happened to be on that select committee which was chaired by the minister. Like most committees that I have had the pleasure to be involved with, I thought it was a very good select committee. It was held and concluded in a bipartisan way, and I thought it came up with a set of recommendations that were fair and reasonable considering the evidence that was given to the committee. I thought it showed a positive way forward for this technology and the GM industry in general. The first recommendation states:

> The current processes in place within the South Australian government to provide advice to the regulator regarding the impacts of GM plants and the management of the impacts, particularly where the impacts might be different in South Australia to other parts of Australia. . .

That was just saying that even though the Gene Technology Regulator, set up under the commonwealth legislation, has jurisdiction over the whole of Australia, we believe that the South Australian government should have, and continue to have, the right to say that in some instances things are different in South Australia than what they are in other states. I think that that is fair and reasonable.

The second recommendation suggests that the states should legislate to ensure the release of GM products only when what is referred to as coexistence can occur with identity preservation; that is, we will only allow the release of GM crops into South Australia where they will not impact, spoil or contaminate other crops or cropping systems or the products of those cropping systems in South Australia. The third and fourth recommendations expand on that particular recommendation. The fifth recommendation is that we set up a GM Crop Advisory Committee. The sixth recommendation is that we, in South Australia, allow for the release of GM crops in South Australia when the conditions expressed in recommendations 3 and 4 are met, namely, the guarantee of coexistence and the guarantee of identity preservation. So, when those protocols are set up, we allow for the release of GM crops in South Australia.

Recommendation 7 is that Kangaroo Island should be initially declared GM free but with the proviso that the community on Kangaroo Island has the final say. We take that position: we are GM free in the first place, but it is not GM free for ever and a day; it is the community which has the final say, and if it chooses to enter the GM world, that it is for the community to make the decision. One of the things that I will be questioning the minister on in the committee stage is who will be involved in making that decision? Bear in mind that we are talking about marketing and not environment or human health, I think it should be those people involved in marketing—those people in the business of growing crops, handling, transporting, shipping and selling crops, not necessarily the general community.

The eighth recommendation basically states the same scenario for the Eyre Peninsula on which the minister and I will possibly have a difference when we get to the committee stage. The ninth recommendation is that the government should facilitate that consultation process where those communities get to have the final say. The tenth recommendation is in the same vein. The eleventh recommendation is where we get to an interesting part of the committee's deliberations, and bearing in mind that we are only talking about identity preservation and not impacting on the marketing of existing crops, marketing scenarios of existing producers and the marketing organisations.

The eleventh recommendation recommends that we, in South Australia, release GM crops into the commercial world as long as the people involved can guarantee (and we use the term closed loop system) that the growing of those crops cannot have an impact on the marketing of other crops in the state. 'Closed loop' means that, if a farmer received the seed from a seed company, planted the seed on his farm, ensured that the plants growing and any pollen from those plants were contained, grew out and harvested the crop and then delivered

the seed, either directly to the person who provided the seed in the first place or to the end user without crossing paths with any of the existing farm (particularly storage and handling) systems, there is no way, we believe, that that particular scenario could impact on the marketing of other crops, and therefore it should be allowed.

Recommendation 12 goes on to expand on that system, as does recommendation 13. Recommendations 14 and 15 relate to setting up the processes to enable all this to happen, in addition to the control, monitoring and enforcement of the systems. Recommendation 16 relates to the fact that, in a few years, we should have a review. Most of those recommendations have been embraced in this bill but, unfortunately, in terms of the construct of the recommendations of that select committee, I believe the bill fails to give enough consideration to recommendations 11, 12 and 13, that is, this limited release in a closed-loop system.

The minister and I may differ there; that is the way it might end up. However, let me go through the bill as it is before the committee. This will be the second time in the same evening that I have talked about the short title of the bill, which is the Genetically Modified Crops Management Bill 2004. I believe that the bill would be better expressed if the title related to food crops. The bill is about food crops and not crops in general. I think that, on the government's behalf, there is an oversight in that respect. I will not go to the wall on that one. In fact, I will not even move an amendment in that respect, but I am disappointed that the title of the bill did not pick up and express the fact that this bill is about food crops.

An interpretation in clause 3 relates to the words 'to deal with'. The interpretation provides:

> . . . in relation to a crop, GMO or other material, has a meaning that corresponds to deal with a GMO under the Gene Technology Act 2001 [commonwealth legislation].

Again, just as a way of constructing the bill, I do not know why the full definition is not given there. I looked up that particular act and the definition does not go on for pages: it contains probably 30 words. I think that the bill would be more understandable if we did not use that sort of terminology. I would prefer that we repeated exactly what the definition was. Again, that point is fairly minor.

Clause 4 is where we get to what I said about the minister's having all the powers to regulate. This clause gives the minister the power to publish thresholds by notice in the *Gazette*. That is an eminently sensible thing to do. We must have thresholds, because we are operating in a real world, in a practical world, and not a theoretical world. Every person across the world recognises the potential for very low levels of contamination. The risk of that happening is very high. We must be able to accept very low levels of contamination.

From this time forward we will never be able to say that something is 100 per cent GM free and guarantee that. It is eminently sensible that that is in the bill. Clause 5 is where we get into the nitty-gritty of the bill. This clause gives the minister the powers (again, by regulation) to declare that various areas of the state have varying status regarding whether or not farmers can grow GM crops, whether they can grow crops of a specific class, whether they are not to grow GM crops at all or whether the area is the only part of the state in which they can grow a crop of a specific class. It is indeed quite a complicated series of clauses, but I am sure that those who study the bill intently will understand what we are trying to achieve.

I refer to my earlier comments about having to accommodate the things we signed off with the WTO and that we must never lose sight of the fact that we are talking about marketing conditions. I believe that is the reason why the wording of those clauses is quite complicated. Further on, clause 5, subclauses (2) and (3), set up the consultation process for declaring, redeclaring or changing the declaration for a particular area and set up a particular consultation process; I do not have a problem with that.

When anybody who reads the act gets to clause 5(3), they must understand that they then also have to move to, and understand, the transitional clauses of the bill, because regulations will be promulgated at the same time as the bill is proclaimed. The transitional provisions in the schedule therefore enable the minister to circumvent clause 5(2) and (3), and not go through that consultation process for the initial declaration in certain areas of the state. I raise this because I think the minister and I will have a difference of opinion on this when it comes to the Kangaroo Island and Eyre Peninsula regions of the state. The Liberal Party would like those two areas handled differently; that is, to have the opportunity to opt in and the opportunity to opt out. We will debate that in the third reading.

The other meaty part of the bill is clause 6, which gives exemptions. This is the point where I believe the bill somewhat fails to recognise recommendations 11, 12 and 13 of the select committee, where I talked about the closed loop scenario. If we are not going to incorporate the exemptions in clauses 5 and 6, I think it should be more fulsome about allowing an exemption which allows that type of closed loop system to operate in South Australia, again emphasising that we are talking about the marketing aspects.

If we cannot say that a particular scenario will have an impact on the marketing aspects of neighbouring farmers or farmers across the state, I do not see why we should give the minister the power to stop that scenario from happening in South Australia. That is the way I read the recommendations of the select committee.

Clause 7 is headed 'Related Matters' and, via regulations, it merely sets up the power for the minister to set fees for people making applications. Clause 8 is about the administration of the act, and it sets up an advisory committee which, again, is a recommendation of the select committee. Clauses 9 to 15 by and large go through the administration of the act via that advisory committee. It refers to who we put on the advisory committee, terms of conditions and membership, remuneration, conflict of interest, validity of acts and procedures.

Clauses 16 and 17 are about inspectors. Of course, if we are going to have an act, we must have inspectors; clause 17 handles their powers. Clause 18 deals with orders for destruction of crops or material; we do not have a problem with that. Clause 19 gives the minister the power to delegate; we do not have a problem with that. Clauses 20, 21 and 22 are about false and misleading information and offences against the act. The Liberal Party has no problem with those clauses; they are fairly standard clauses. By and large, the Liberal Party understands the necessity to have this bill proceed through the parliament at this stage. It understands the timeliness of having it enacted, but it is somewhat disappointed. It points out to the government that if it gets this wrong, if it scares away biotechnology companies, we will be doing a disservice to the future of South Australia.

I heard only today that Monsanto is starting to say, 'Why are we bothering in Australia? It is only a relatively small

market for us to do business in. The state governments are making it incredibly hard for us to operate. Why don't we pack up?' It operates largely in New South Wales. New South Wales has not yet quite made a decision. But I understand that Monsanto is thinking seriously about packing up and saying, 'To hell with Australia, it's just too hard.' Let us not make Bayer say the same about South Australia. Indeed, let us grasp the opportunity. I would be delighted if the minister was on the telephone tomorrow morning talking to people from Monsanto and saying, 'This is what we have in South Australia. Come over here. We will encourage you to operate in South Australia. Not only that, bring your Australian headquarters to Adelaide. We will welcome you with open arms.'

Dr McFETRIDGE (Morphett): This bill is one that really bothers me in as much as we are about to condemn South Australia to be the tag-along state. We might be leading Australia when it comes to developing genetically modified crops but, when it comes to the rest of the world, we will leave ourselves way behind. What makes us so special in South Australia? I know what makes us so special in South Australia, that is, we are a very bright, very intelligent and very dynamic state. We have a $32 million genomics centre at the Waite Institute; we have a Proteomics Centre at Thebarton; and we have world-class scientists working in this state on pharmaco genetics and molecular genetics. We are world leaders in that area and we should not allow ourselves to be dragged backwards into the dark ages of fear and doubt by the eco-zealots—those quasi religious bigots who use no more than junk science to scare people.

I feel so sorry for the non-scientists of this world because they must be living in fear all the time. Forget the terrorists in the Middle East: what we have here are the green terrorists. They are terrorising people with junk science. We have the world's leading edge scientists and institutions in South Australia, yet we are tying one hand behind our back when it comes to developing that science and then implementing that science.

Having said that, I am always the optimist. I am not only a realist but also a pragmatist. I know that in this place there are many people who are being guided by what I consider to be junk science. That is not being derogatory towards those people. They do not have the scientific background that I and others in this place are lucky enough to have. I am able to make informed decisions on what is going on in our scientific institutions. I am not the font of all wisdom in that area, so I will stand to be corrected if there are developments that irrefutably show that what we are doing here in these world leading scientific institutions is not going ahead with great advances.

I have a history in this place of standing up and talking about genetic issues. I have introduced a private member's bill to ensure patient accessibility for genetic testing, because I realise that the advances we have got in genetic testing in South Australia will allow people to find out what their future will be. We will be able to look at our genes and find out whether we have a predisposition to this disease or that disease. Like many things in life (like bushfire prevention), you can get in and take preventative measures and save millions of dollars. I was reading the RAA's budget submission yesterday and their thinking is along the same lines and they are spending money on infrastructure (their returns are something like 400 per cent). It is the same all the time: if you go in with knowledge and a plan of action, you will reap rewards. But, here we have people who unfortunately are relying on—I will not call it misinformation—certainly information about which there are some serious doubts.

The subject of the 'Franken foods' and 'xeno transplants' is raised all the time—we will have fish being crossed with tomatoes and monster weeds that will grow out of control. It is all just junk science and it is not the truth. People use the fear factor all the time. If you really want to worry about genetically modified organisms, the member for MacKillop mentioned one that is worth worrying about, and that is modified viruses. Modified viruses scare the hell out of me because, until we come up with good anti-viral medications, germ warfare will be played out with viruses. They will never have to shoot a bullet: viruses will be sprayed around the place. That is the piece of genetic modification I am really concerned about. This bill is not about that but it is about genetically modified foods, so we will get back to those.

I said that the Natural Resources Management Bill is based on the precautionary principle, and this is another bill where the information is using the precautionary principle. The precautionary principle is a well-known principle used in environmental treatise and in forming environmental law, and implements a reverse onus of proof—you are guilty until you prove yourself innocent: there is no room for doubt whatsoever. However, if you apply the precautionary principle to itself, you would never use it because, if the people who say we should not go near GM foods because they are bad and horrible had to prove that beyond reasonable doubt (100 per cent proof) like they expect scientists to do when promoting GMs, they cannot do so. So, their argument fails and the precautionary principle has no principle.

The use of Mendelian inheritance in both animal and plant breeding has been going on for years—we have been breeding the best with the best. Genetically modifying crops and animals is basically turning genetic inheritance onto warp drive—we are going really fast. Obviously, the knowledge we have nowadays is far broader, more intense and more scrutinised than it has ever been in the past. I should point out that the most common cause of death in the world is not war, earthquakes and natural disasters: it is poor health due to poverty. Millions of people around the world are affected by poor health due to poor nutrition. Millions of people, as we stand here, are starving to death. Children are dying, as we stand here, through poor nutrition, yet we say we will not grow foods with natural vaccines, or foods that give you extra proteins, or foods that have vitamin A so your sight does not deteriorate. We will not grow foods that do not need tonnes of pesticides, or need fertiliser, that are drought resistant or are salt tolerant. We will not grow foods that will help you lead a better life because you can grow those foods in your environment and they will yield twice as much, they will feed your family and help you make some money by selling them to your neighbours. We will not do that, because the eco-zealots say that genetically modified foods are bad. If we go along that path, we are no better than the eco-zealots who have their own agendas and are guided by this junk science.

Do you think, Mr Deputy Speaker, that the billions of people in China, Asia, India or Africa care whether or not their foods are GM produced? They do not care. They want to live. They want to be alive tomorrow. They want their children to be alive tomorrow. They want their children to be healthy tomorrow. By ignoring the benefits of GM foods, we are going to miss out. The clean, green image that everybody clings to—you ask the agricultural economists—clean and green is not the number one thing at the moment. Clean and

green takes a back seat to price, quality, reliability and supply chain management. If you can get the quality, get the produce there, it is a good quality produce and is not expensive—it is affordable—particularly in markets where they cannot pay a lot, that is what it is all about. When we have got billions of people just to our north who are crying out for food, we should not be shutting the doors, driving our scientists away or shutting down opportunities at the Plant Genomic Centre and out at Thebarton in the Proteomics Centre. We have got to make sure that we are not just reverting back to our prehistoric, genetically inhibited ancestors.

The market advantage of GM foods for some is also being used by countries like Europe, as a form of 'tariffication'. The World Trade Organisation is well aware of the use of non-tariff protection barriers being used by countries around the world. Genetically modified foods are one of those non-tariff barriers. They restrict countries' access to markets in a very unfair way. It is very important that, as a relatively small part of the world—but a very large part of the world market in producing cereals and potentially even more if we embrace genetically modified foods—we highlight this tariffication of GM products and ensure that trade agreements get around these non-tariff barriers. Other states are not even going ahead with GM trials.

The Hon. R.J. McEwen: Which other states?

Dr McFETRIDGE: The member for McKillop said all other states; New South Wales have not even shown their hand on it yet but, as I understand, other states are not going ahead with this. If that is the case, that is their loss. We at least are going ahead and doing something about it. We are preparing to allow some GM crops to go ahead, and the best part about that is that people realise they are not the 'franken-foods' or the disaster that they are being portrayed as by the ecozealots.

Canola oil is a classic example of the furphies that are out there. I understand there are some companies that will not use GM canola oil in their cans of tuna. I defy anybody to identify GM canola oil and non-GM canola oil just by looking at it. Unless there is a transformation in the arrangement of the fats in there—are they monosaturated or polyunsaturated—I do not think they can. Canola oil is canola oil is canola oil. The proteins determining the production of that oil are how you can tell whether or not it is genetically modified. That is what genetic modification is all about.

People seem to think that if you eat a genetically modified food then you are going to become genetically modified. You are not. You are going to digest that canola oil and that bit of genetically modified bread made from genetically modified wheat in exactly the same way as you are going to digest any other food. There are opportunities to add in extra vitamins which you can benefit from. There are opportunities to add in vaccines that people can then assimilate, but that is an entirely different biochemical process.

The member for MacKillop did mention cotton. That is a non-food crop, but cotton oil and cotton meal are used in food production, so there is a bit of an anomaly we are going to have to look at. We will be left behind in South Australia if we do not embrace GM foods. I am content not to oppose this piece of legislation. I just hope that we use our brains rather than just cower to those who have other motives. I do not understand all their other motives.

Many green groups rely on a public furore for notoriety and for funding and, as I said previously, I think they become quasi religious in their endeavours. We must not lose the focus on where we want to be. We need to embrace new technology. We are doing it already in this state. We have done it by investing in the genomics centre—as I said, $32 million. We have leading scientists, and I hope this bill does not scare them all off.

The member for McKillop has certainly embraced all aspects of this bill. I know that he wants to raise a number of points at the committee stage. I look forward to other members' contributions, but let us not hide our head in the sand, and let us not reject it because we are afraid of the perceptions out there. We all know that in politics perceptions are reality. It is very important that we have the courage to show leadership and that we are not gelded by public perception. We are given this opportunity to come into this place to lead, to show the way and to improve people's lives, and if we do it by embracing well thought out, well documented and proven good science, then we should use every opportunity to form legislation, pass it through this place and get South Australia going ahead.

Mrs PENFOLD (Flinders): In October 2001, I spoke in this house and supported a five year moratorium on the introduction of GMO crops on Eyre Peninsula. What I said then is still relevant now. However, since then we have had the select committee on genetically modified organisms and there has been considerable public discussion about the pros and cons of growing GMO products. Most of the farmers contacting my office were firm in the belief that it was still too soon to grow GMO grain on the Eyre Peninsula, and I asked that the committee recommend that Eyre Peninsula remain GMO free, along with Kangaroo Island, to enable further time for our farmers to consider the implications. Just some of the perceived negatives that regularly came up in discussions were: firstly, there was a major concern about market acceptance of GMO products; and, secondly, who will be responsible if we have a problem with super weeds, plants which could well be former crops bred for their tolerance to herbicides. Then there was a concern about multinational companies that might get control of the seeds by way of patents and put the price up in a similar way to what we have seen with medicines.

Also of concern was that the multinationals could sue if their seed was used accidentally in some way in a paddock and a small farmer would be no match in the courts. There was concern about the cost and difficulty of segregation of crops and seed to ensure contamination did not occur. Who should pay for segregation and who would pay if segregation was not effective and contamination did occur?

Finally, people are most concerned about any cross species modification of genes; that is, for example, the one that has been spoken about tonight, namely, pig genes in tomatoes. Then there were those farmers who more recently have come forward expressing great concern that Eyre Peninsula could be left behind if our farmers could not take advantage of the advances in GMO technologies; and that the benefits of seeds with salt tolerance, drought tolerance, pest resistance and with tolerance to weeds, sprays and vitamin enhanced would not be available to them.

When the bill was tabled with the three year pause for the state and with Kangaroo Island and Eyre Peninsula being exempt from GMO, I did not have a problem. However, since then, the difficulty of getting out of this exemption, if in three years time the growers on Eyre Peninsula decide that they want to grow GMO products, has caused me to decide that it would be better for the Eyre Peninsula to stay with the rest of the state.

By 2007, the five year GMO free undertaking for Eyre Peninsula that I gave in 2001 will have been more than fulfilled. Then in three years' time, the decision can be made, along with the rest of the state, as to whether or not the region will go for GMO. I would hope that Eyre Peninsula will still be considered as a distinct region for the purposes of opting out at that time should they wish. The Eyre Regional Development Board has already begun to consult with farmers in the region through a series of meetings, and I would hope that these will help to clarify the issues for farmers and that the right decision is made when the time comes.

I am concerned that even if undertakings are made now in good faith by the current independent minister that enable the farmers to decide the route they wish to take, if a Liberal government should not be in power, we could have a real Labor minister in three years' time who could cause difficulties that I have not foreseen. It could be possible that in three years, despite farmers wanting to grow GMO plants, the situation could be manipulated by a Labor minister to stop this from happening for political reasons, probably to pander to green groups. As a remote region that produces in a good year about 40 per cent of the state's grain, we cannot afford not to get the best price available for our product and have the advantage of growing as much as we can.

We have a world-class centre for dryland farming at Minnipa research station that must have a say in the future for the region where it is based. However, what is best for Eyre Peninsula must ultimately be decided by the farmers on Eyre Peninsula, not by the people who have no real understanding of farming in our region. I believe it will probably come down to individual products being given approval one by one as they become available, having been tested and approved and segregation matters ironed out. I support the pause and will support an amendment to have Eyre Peninsula included with the rest of the state for the next three years.

Mr VENNING (Schubert): I will try to be fairly short and not repeat what has been said. The bill seeks to impose a moratorium or a pause on the commercial growing of genetically modified food crops in this state for approximately three years. I had difficulty understanding the difference between the words 'moratorium' and 'pause', so I went to the dictionary. 'Moratorium' is defined as 'a legal authorisation to delay' or 'an agreed or imposed respite' and 'pause' as 'a temporary stop or rest' or 'a cessation proceeding from doubt or uncertainty'. So, I think the word 'pause' is the correct one to use, because there is a lot of doubt and uncertainty in relation to this bill.

The bill is the same as, or very similar to, recommendations of the House of Assembly Select Committee on Genetically Modified Organisms. The bill also gives the minister the power to designate regions where GM crops can be grown or regions where no GM material can be grown. The bill does not exactly say so, but it is well-known that Kangaroo Island and Eyre Peninsula are intended to be GM free regions. I agree with the member for Flinders that they do not want to be separate from us. The rest of the state will also be GM free other than when a licence for experimental planting is granted by the minister. Again, that gives the minister some power and a lot of discretion.

I presume that the rest of the state can grow GM crops if certain criteria are met and if the minister agrees. So, if you know the minister and can convince the minister that you need to be able to do this experimentation, it looks like you might be able to proceed. I do not agree with this legislation, but I will not oppose it. I know that everyone thinks, 'Well, why are we doing this?' I do not agree with the legislation because I feel that we are being hijacked in this matter because of world opinion, and I have difficulty with that. I think that many of my colleagues tonight would not support it either. This government chooses to sit on the fence. It does not have the courage to stand up for what it knows to be right.

I was a practising farmer before I came to this place. When I started farming as a nine or 10-year-old we hardly used any chemicals on our property. We used a hormone occasionally (2 4-D), but that was about all. Today, every little farming operation uses a chemical. Even during summer we are out there spraying with chemicals. We spray before we sow the crop; we spray when the crop is coming up; we spray again when the crop is up; and we spray again at the end to take out the grassy weeds and everything else. I do not believe that what we are doing is sustainable. It is not a word I use a lot; it is one of those green words. My constituency says that it is one of those 'in' trendy words. I do not believe that what we are doing on the farms out there is sustainable, because we do not know what the long-term effects will be.

What about all those residues that are floating around—chemical upon chemical? Once you have polluted the ground, and once you have this residue—and I remind the house that the most minute residues can be picked up and detected, with the most exacting equipment we have today—what is the long-term outcome for what we are doing on our properties at the moment? I see genetically modified foods as the saviour to our problem, not the end of the problem, that is, to be able to use plants that grow food that do not have to be sprayed; plants that will be able to grow in conditions that do not need the same amount of rainfall; and plants that can grow in saline areas, in other words, tolerant to salt. All this could be open for us. However, here in this house tonight, we are saying, 'No; it's too touchy. The world perception out there is that, if we allow GM foods, we might not be able to sell some of our product in some markets.'

It is true that there is a risk, but I believe that we should be making a stand. We should be working hard to convince the world that our GM modified foods are healthier than those laced with pesticides and weedicides, and that is what is happening, particularly with our legume crops. As every legume grower would know, we spray the weevils with pesticides, and there has to be a residue—

The Hon. G.M. Gunn: And herbicides.

Mr VENNING: Weedicides and herbicides. There has to be a residue, and we are fooled into thinking that this is okay because we have always done it that way. However, this GM food thing is evil and bad news. As my colleagues have so capably said, this issue has been taken over by the green lobby. I know the minister has had quite a lot of involvement with this issue for quite a while, and he has done a lot of talking and thinking about the subject. I really believe we should have made a stand and not just sat on the fence, which is what we are doing with this bill. We are asking for time; we are asking for three years and to then say, 'Okay, we'll do this now.' I am not going to vote against this bill, but I regret that we as a parliament have not taken on the green element. With genetically modifying foods, we are not crossing different species. That is a nonsense. As the members for Morphett and MacKillop said, we are not crossing species; we are purely introducing genetic material into our lines that will assist us to grow better and more food to feed the starving millions.

Every year, we are taking more and more land out of food production, yet we are expected to feed more people. That does not work out unless we do it smarter, and being smarter is to produce genetically modified food. What is wheat? It is a genetically modified grass. There is no such thing as a natural wheat; it was bred over many years. I pay tremendous tribute to our many plant breeders for the work they have done in what they call line breeding. I do not see any difference in adding a gene or putting it out in the paddocks to grow and then to cross germinate, as they have been doing for many decades. I think it is naive in the extreme that we are doing this. I am also concerned that we would be cutting our state into two separate zones; it is quite ridiculous to expect Eyre Peninsula to be treated differently from the rest of us, the so called mainland. I would like the minister to respond to this question: how can you keep Eyre Peninsula totally GM free when most of our ships loading barley and wheat on this side of the gulf are topped up at Port Lincoln?

If the minister says we cannot do that any more, that is a huge problem. In fact, it is an insurmountable problem, because we have not got the water on the side of the gulf to fill them up, so we are going to have to use Port Lincoln. Also, a lot of our grain contractors, our harvesters, move from one side of state to the other, and so do the people who sow the crops. But, worst of all, most of our small seed producers come on this side. How are we going to keep these areas separate? I do not believe that we can, and I think it is a farce and that we are being naive in the extreme to think that we can.

GM crops are regulated and licensed federally after a thorough investigation, and this is where this debate started. This is pandering to the green element, and it is not about the agricultural advancement of our foods. I believe that the government is sitting on its hands and not taking a positive step in either direction. I know that the member for Gordon—now Mount Gambier—introduced this subject in the old parliament and now as minister he is handling it in this parliament. As with the NRM bill, as the member for MacKillop said, power is given to the minister, and this is causing concern in our farming circles. This is a slim piece of legislation and it leaves everything up to regulation. That is dangerous, because at least within this house we debate these matters and make a decision on the seats in this house, but when it is done by regulation—particularly when you do not know about it—that particularly annoys me.

I am very concerned that we are debating this, particularly when we know that we have one of the best genomic centres in the world here at Waite—in fact, I think it costs this government in excess of $20 million—and it is working extremely well. Also, our biotech companies are very active here in South Australia, and not only are these the companies that have been selling us the chemicals, but to their credit they are also working for the day when we are not reliant on chemicals, and much of that has to do with GM-modified food. I hope they stay and continue their work, and we should encourage them—not discourage them—in these sorts of matters.

I have always had some difficulty with this, and I know that it is popular to run with the flow but, as a farmer who still does little bit of farming—and no doubt the member for Stuart will also tell you this—I think that we have become far too reliant on chemicals. We do not know half the damage that they will do the long term, and I believe that our future lies with modified foods—genetically modified foods, if you like—and with more GM crops and fewer chemicals.

The Hon. G.M. GUNN (Stuart): Briefly, there are a few matters in relation to this debate which are clear to me. The first thing is that once we go down the road of genetically modified crops there will be no turning back. From what I saw in the United States it is clear that once they started growing GM-tolerant beans there was no going back. The second important issue is that it would be very difficult to completely segregate GM grain from non-GM grain unless you have a separate grain handling system, which is not possible.

The next issue in relation to this matter—and the most significant—is that we cannot afford to get ahead of the rest of the world, and there is no point in our trying to be leaders because, until there is market acceptability, particularly for wheat, it would be an unwise course of action. Canada, the United States and Japan have an agreement that none of them will grow genetically modified wheat or be involved in the genetically modified wheat trade until such time as their authorities recommend it. And that is not likely in the near future. They have already developed genetically modified or Roundup Ready wheat in South and North Dakota. It is a very attractive option for a farmer, and I have seen the crops in the United States. I have also seen corn which is being developed and which is resistant to various insects.

It is quite clear that in the future genetically modified crops will be grown widely throughout the grain-producing regions of the world because there is not a great deal of land that is suitable for agriculture yet to be brought into production. So we are going to have to produce more off the same land, and the only way to do that is by having improved crops. One of those ways is to have genetically modified crops, and I believe that will happen.

I do not agree that Eyre Peninsula should be excluded completely, and a few people over there, particularly in the southern part of the peninsula, have generated a lot of discussion, but I have not had farmers from broad acre groups come to me and say, 'We want you to oppose genetically modified crops.' That has not happened. When it becomes accepted internationally and when there are suitable crops available, I believe they will be grown. As the member for Schubert said, if it means that we reduce the amount of chemicals that we currently use, that will be a good thing.

I hope that this legislation is successful. I believe in being cautious, but it is absolutely essential that we involve ourselves in ongoing research so that our growers and our community can be kept fully abreast of what is taking place, not only in Australia but internationally. I am very pleased that I went overseas in September to have a look myself, because clearly in the long term these crops will be grown. I had discussions with a wide section of the industry. In three years' time when we examine this legislation again, I believe that there will probably be a different attitude.

In the short term, there is no point having widespread sowing of genetically modified crops unless we can sell them. That is what will govern all decisions on genetically modified crops: it is whether the market will accept it. If the market will not accept it, we are wasting our time. I believe that, as time goes on, the market will accept it and the benefits will be clear. I make this prediction: the moment certain significant crops are developed in the European Union, it will change its attitude and the opposition will dissipate. However, in the meantime, if the international community will not accept the products, there is not much point growing them.

I believe that we need to keep abreast of technology. It is very attractive to a farmer to be able to grow Roundup-ready

crops. It cuts down the workload, and I have seen in America (and people should also remember this) that the argument is really not relevant in the United States itself because many of the crops that Americans consume, including tomatoes, are already genetically modified.

I look forward to the ongoing debate on this matter. I believe that we must continue to pay close attention to what is taking place around the world, and a number of members ought to go overseas and keep themselves abreast of the issues. We cannot afford to fall behind but we cannot afford to get ahead of the pack.

Mr HANNA (Mitchell): I am speaking about the Genetically Modified Crops Management Bill that has been introduced to this parliament by the government. It follows on a report that was prepared and published last year. Since then, I have studied the matter and consulted widely, particularly within the Greens Party. I make some general remarks because many people in the community do not well understand what is involved in genetic modification. The starting point is that the gene is a segment of a cell's DNA, and DNA is, of course, the blueprint of life that determines an organism's specific characteristics, including physical appearance and functioning, etc. Genetic modification is a relatively new technology that allows scientists to exchange DNA sequences and to remove the DNA sequences between and within species in a way in which traditional breeding could not. Genetic modification is often used to insert foreign DNA from differing species—whether they be plants, animals, viruses, bacteria or humans—into the genome of other unrelated species.

In the context of this debate, essentially we are talking about that process in respect of plants—for example, genes for herbicide tolerance and insect toxin production from bacteria and other plants engineered into crops. There have been examples of genetically modified crops in Australia; in fact, cotton and carnations were commercialised under voluntary guidelines that operated for 15 years before the Gene Technology Act came into force in 2001.

I need to explain something about the federal system for those who are unfamiliar with the regulatory framework, because it has a significant impact upon what we can and cannot do in respect of South Australian legislation. The Gene Technology Act is the federal legislation and is a starting point if we hope to regulate genetic modification of crops in South Australia. The federal legislation sets up a regulatory office—namely, the Gene Technology Regulator—and the critical issue (and we can point the finger at the Liberal and Labor Parties in the federal parliament for this) is that health and environmental concerns can have no part in prohibiting the introduction of genetically modified crops under that regulatory framework. So, what we are left with in South Australia is, essentially, the option to restrict or to prohibit genetically modified crops on the basis of the economic impact. However, I cannot ignore the potential for health and environmental impacts, and I will say more about those in a moment.

By way of general background, it is also worth pointing out that already in Australia we have many varieties of imported genetically modified foods, such as soy, corn, canola, cotton, potatoes and so on. These have been approved by the Australian and New Zealand Food Authority, so they are already in the food supply. The Greens' position is very clearly that the risks have not been adequately or seriously taken into account in allowing genetically modified crops to be developed, or genetically modified food products to be in our food supply. The risks of gene technology and its products to public health and safety include allergenicity, toxicity, mutagenicity and carcinogenicity. The impact of genetic engineering on biodiversity and the environment is not well understood, and pollen and seed contamination is inevitable.

The federal Gene Technology Act, to which I have referred, allows the regulator to consult various committees, but the predominant effect of that is for the technical advisory committee to play the dominant role. I suggest that the process on approval of genetically modified crops at the federal level lacks transparency.

In respect of the environmental risks, I suggest that the general release of genetically modified crops means significant risks of irreversible genetic contamination of natural and agricultural gene pools. Open pollinated genetically modified crops may cross with related crops or wild relatives, transferring engineered traits. Horizontal gene transfer between unrelated organisms may also pose a serious risk, as studies have already documented the transfer of engineered DNA across kingdom boundaries, that is, across species boundaries. In essence, the impact of allowing genetically modified crops in South Australia is unpredictable. In the absence of long-term studies, particularly independent studies, we cannot guarantee that these unwanted outcomes will not occur. The possibilities are, in some cases, horrible to contemplate. The contamination of other species of plants could have an adverse impact on the functioning of ecosystems. It could mean loss of biodiversity in the long term.

The transfer of genetic material from herbicide tolerant crops can create herbicide resistant weeds. Increased chemical usage associated with such crops can lead to elevated chemical residues in our food, soils and waterways. The point there is that we are talking about introducing genetically modified crops in the context of an agricultural industry that relies very heavily, indeed, on poisons. It is known as the pharmaceutical industry, or the agricultural chemical industry, but we are essentially talking about poisons to stop the bugs and weeds that have an adverse effect on commercial crops. You can try to engineer crops to be resistant to pests, but if you have those unforeseen consequences of affecting the weeds themselves through some sort of cross pollination you run the risk of creating super weeds. I am not saying that this is even a likely outcome, but the fact that it is a possible outcome means that the risk is significant.

Again, in respect of health risks, I suggest that insufficient independent human or animal tests have been conducted in relation to genetically modified foods that are currently in our food supply. I recognise once again that these are not issues that this South Australian bill can directly deal with. But it would be foolish of this parliament to overlook the hazard, no matter how low the probability, of these highly undesirable outcomes.

There is another issue in terms of the marketplace in respect of the intellectual property of genetically modified crops. It is a very new phenomenon for us to have the patenting of living organisms and their genes. It amounts to an unprecedented revolution in human values as life itself turns into a commodity, and I recognise the concerns of the member for Morphett in relation to the commercialisation of human genetic material. I am suggesting that a private ownership of such genetic material is unethical, because

living organisms are not inventions: living organisms need to be respected as the creatures they are.

Genetically modified crops, of course—that is, the design that allows their modification—can be patented and, therefore, monopoly owned. I see a danger in that. This is not just a remote concern. The fact is that the top few genetically modified organism companies control almost 100 per cent of the market in genetically modified seeds. They also control most of the global pesticide market and a large proportion of the commercial seed market generally. These industry cartels—using patents and contracts with farmers, grain handlers, processors and retailers—have a very strong control over the whole food supply from the laboratory to the dinner plate. Centralised monopoly control of the genetic blueprints of life through genetic intellectual property ownership gives too much power to industry and it is not in the public interest. Essentially, governments (including the Australian government) have been gutless in taking on the powerful multinational corporations behind the pushing of genetically modified materials. There are international implications which I will not go into too deeply, but I think it is worth contemplating that, if the trend continues to monopoly ownership of genetically modified crop material, then there are implications for third world countries that cannot necessarily afford to have this sort of technology. The gap between first world and third world agricultural production will only widen.

Before coming to a conclusion, I must say something about the precautionary principle. It is a well-known principle in respect of new innovations, particularly those which might affect human health or the environment, but it applies equally in respect of economic considerations. The legislation before us asks us to focus on the economic impact for the reasons that I have mentioned. The fact is that there was an intergovernmental agreement on the environment signed by the heads of all Australian governments in May 1992. In section 3.5.1, it states:

> Where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:
>
> (i) careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment; and
>
> (ii) an assessment of the risk-weighted consequences of various options. Under the principle 'the onus of proof' regarding impacts has shifted to those actions that might cause change.

There are many unresolved risks in genetic modification. This is evidenced by the extensive debates among scientists and in the community. The community has not been won over in respect of genetic modification, and one has to ask why. Precaution demands that we delay releasing genetically modified crops. Although the probability of adverse impacts from the release of genetically modified crops—or the consumption of genetically modified foods, for that matter—may be small, the problem is that the impact may be high and irreversible. That is why applying the precautionary principle in gene technology is therefore essential. We need to be more cautious in this regard.

I may be alone in this parliament in putting forward these concerns, but if these concerns were to be taken on board by the parliament, we would not be alone. Western Australia has decided that genetically modified crops would not be grown in Western Australia. They want to protect their state's clean and green status. This was not some radical green MP saying this: it was the Labor Premier Geoff Gallop. In Victoria, we have just had an announcement this week that they will also continue to restrict genetically modified crops, again, because of the concerns that I have outlined. That is not being driven by radical green MPs—it is being driven by the Labor government under Premier Steve Bracks.

I can also adopt a couple of statements made by opposition members of this parliament. The member for Schubert spoke about the problems of sustainability of agriculture. In my view, if we were going to have a priority in terms of improving our agricultural industry, money should be put into the development of sustainable agriculture ahead of more investment into the research of how to produce genetically modified crops. The answer is in sustainable agriculture. Ultimately, it would be wonderful to work toward more organic farming. Certainly, organic farming is on the increase. There is a viable niche market for organic products, and that will only continue to develop.

I also draw support from the member for Stuart's contribution. He made the point, very clearly, that once we allow genetically modified crops in South Australia there will be no turning back. It is absolutely clear that it is irreversible, and that is why we need to take such caution. I will be moving a series of amendments—essentially, three tiers of amendments. Essentially, the first amendment will be to gut the bill and to provide for the prohibition of genetically modified crops in South Australia. If that does not succeed, I will move that there should be a five-year moratorium on genetically modified crops in South Australia.

Let us wait for more testing to be done to reassess the safety and the risks and, if I am not supported in that, either, I have a series of amendments to make any farmer think twice before they not only take the risk for themselves but also take the risk for their neighbouring farmers in trialing GM crops. I will be moving that series of amendments when we consider the bill in detail.

I summarise this bill as a prohibition with exemption model. In my view, it should simply be a prohibition model. However, if we must have exemptions, then, certainly, I want to tighten up the process so that we minimise the risk of harm not only to current farmers and their economic prospects in the markets of Europe and Asia but also to future generations of farmers and, ultimately, to the community of South Australia as a whole.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I move:

> The time for moving the adjournment of the house be extended beyond 10 p.m.

Motion carried.

Mr HAMILTON-SMITH (Waite): I contribute to this bill not only as the shadow spokesperson for innovation and information economy—that shadow portfolio picking up responsibility for matters relating to biotechnology—but also as an interested member of the opposition. I can see both sides of the bill. I congratulate the member for Mitchell on his contribution. I understand the points he is making about the risks of GM cropping and GM modification, and his concern that, somehow, it might lead to a situation where cancers, allergies or disease-resistant weeds may be spawned out into the environment, wreak havoc and cause damage.

However, I am more persuaded by the arguments that we cannot avoid going down this road. I am more persuaded by arguments that farming communities have been modifying and breeding crops for centuries and that it is a natural

progression to the scientifically assisted modification and breeding of crops.

I can see much of the good that would evolve from such genetic modification. The same argument that we hear in debate on the bill about genetic modification of crops would have been argued about advances in medical science. The logic that one should not interfere with nature could be extended to the use of penicillin and other drugs. The logic could be that one should not intervene and modify nature in any way in order to save lives or bring about positive outcomes. Of course, the logic of that has been proven wrong.

In fact, people have demanded such scientific solutions to health problems and problems associated with their environment and the foods they eat. We have been modifying nature constantly throughout humanity, and this is another progression of that. Not only that, but one wonders about how necessary this bill is from the outset, and, further, how effective this bill will be. The reality is that Australia as a whole is a rural marketplace; Australia as a whole is a place where grains are grown and produced for sale, and where farming activities are undertaken.

What has not been put on the record so far is the extent to which there is diversity in the approach taken by each state on this matter. In New South Wales the government has gazetted orders under the Gene Technology Crop Moratorium Act 2003 to prohibit the cultivation of InVigour and Roundup Ready GM canola. An exemption order has been issued for each crop to allow the continuation of existing field trials. The legislation is due to sunset in March 2006. The New South Wales government has indicated that it will consider an application from the industry for proposed large-scale supply chain trials in 2004; I think they are looking in terms of 5 000 hectares. Of course, across the border in Victoria, on 8 May 2003, the Victorian government announced a 12 month moratorium on GM crops by voluntary agreement with the technology providers; no legislation required.

The moratorium is subject to an independent international marketplace review of the potential risks and benefits posed by GM canola and an independent expert assessment of industry preparedness and capacity to manage the off-farm handling system to segregate canola in the supply chain. The Victorian government has received these reports and is presently considering them. In Queensland, one of the strongest growing states in Australia, the government is a strong supporter of gene technology linked to the existing strong national regulatory system. It believes that further regulation of market issues is unwarranted and that cropping decisions should be determined by farmers. I favour the Queensland commonsense approach.

In Western Australia, we find that the Genetically Modified Crops Free Areas Act 2003 allows the designation of areas to be free from GM. It entered into operation on 24 December 2003. Under this law the agriculture minister in Western Australia will be able to make orders to designate specified areas or the whole state, if he wishes, where specific commercial GM crops may not be cultivated. Exemptions to these orders are permitted, including for field trials.

In Tasmania, on 27 February 2003, the government announced the existing two-year moratorium on the commercial release of GM crops would be extended to June 2008. This is quite a different approach to the other states. The government is developing a marketing specific state law for regulation of gene technology in primary industries. The law will be specifically designed to dovetail with existing commonwealth and Tasmanian gene technology acts and will replace the current arrangements that rely on prescription under the Tasmanian Plant Quarantine Act 1997.

In the ACT the government intends to introduce a bill this year; that is in line with the New South Wales arrangements. In the Northern Territory some field trials of Monsanto's GM cotton are already conducted in the Northern Territory under the commonwealth regulatory arrangements.

The Northern Territory government is content to continue to await developments. So, we have an array of approaches to this challenge. GM crops are already out there. A number of states are going full steam ahead with their planting and production. Other states are taking a more measured approach, but the bottom line is that genetically modified crops are out there. They are out there to stay. As my colleague the member for Stuart pointed out, once you are out there then there is no going back. Australia as a producer of grains is already out there with GM. Any potential purchaser of our grains will be aware of that. They are not necessarily buying grain from Yorke Peninsula, Eyre Peninsula, Kangaroo Island, Victoria or New South Wales. The fact is that Australia as a marketplace is perceived as a national marketplace, and it will be very difficult to escape the label of being a GM nation as we market our products. There will be erstwhile efforts and attempts—and this bill is one of them—but I expect it will be extremely difficult to achieve it.

In my view, questions are raised by this bill about whether it will be effective; whether it will simply create a new level of bureaucracy; and whether it will deliver more uncertainty rather than a positive outcome. The bill itself, when we get into the committee stage, will be shown to have some major holes in it, I think. I am particularly interested in clause 6 in Part 2, the exemption clause, which, in effect, gives the minister the power to vary any of the conditions of the bill as he or she sees fit. In fact, clause 6(4) provides:

> An exemption may be granted by the minister on such conditions as the minister thinks fit.

I cannot imagine a more generous clause or provision in a bill than that. If the minister wakes up in the morning and decides he sees fit to grant an exemption anywhere about, it seems the bill enables him to do so. If this bill, as it seems to be, is designed to send some sort of message that we want to go slowly—festina lente is the Latin for hasten slowly—then I wish the government well with it. I doubt if it will achieve that goal. I think, rather, Australia will be perceived because of the actions of other states to be a GM producing nation. The reality is that we will rely upon the nationally agreed regulatory arrangements which are in place, which are stringent and which work to protect the nation from any abuses of the type which were raised by the member for Mitchell and which may be a risk as a consequence of GM modification.

If we step outside the square and ask ourselves what advantages might flow from embracing GM, then one opens a door to all sorts of opportunities. As has been mentioned by my colleagues, we have established here the Plant Genomics Centre of Excellence at Waite, a centre of excellence to research grains and to produce drought resistant and salt resistant varieties of wheat and other grains for the very purpose of making the land more bountiful; for the very purpose of increasing yields; for the very purpose of helping farmers in the nation to trade and to produce products through drought, pestilence, salt degradation and other challenges. The benefits of that are obvious. In fact, at the Waite campus, and the Waite precinct more broadly, is one of the three

premier agri-science clusters in the world. We are in a position to take leadership on gene modification of certain plant varieties. We are in a position to be a world leader in this field, but what message are we sending to the scientists, the farmers and the world community through the passage of this bill? We are sending a message that says, 'We are happy to establish this scientific centre of excellence but we do not want to use the technology. We want some sort of moratorium for three years because we would not want it to escape the Waite.'

I think there is a conflict here. The government crowed recently about its investment in the Centre for Plant Functional Genomics, which I hasten to add was an initiative of the former government, not the current government. I know that to be a fact, because I was the minister who carried the cabinet submission into parliament for $12 million from our $45 million innovation fund so that we could get the grain genomics centre to South Australia. I note the Premier has since said it was $8.5 million, so the amount has been knocked down, but that put together a cluster of funding—almost $40 million, I think it was in total—of federal, state, private and university-based funding which has given us this beautiful jewel, the Centre for Plant Functional Genomics at Waite.

We need a clearly thought through strategy here. The minister is part of a government that, on the one hand, wants the plant genomics centre and to be a leader in that area and, on the other hand, wants to put a moratorium on using such technology here in South Australia in our own backyard. Not only that, but also as a nation we are in a strategic muddle. We are stuck in the middle. We have attempted to grow crops in the north of the country—in the Ord River precincts and in other areas. We have found that pestilence, soil degradation and other environmental challenges have made that cropping not viable, yet with this bill we are saying we do not want to go further with genetically modified crops.

The opportunities for this nation to open up dry land—to open up the north of the country—for cultivation are boundless. We could be the bread basket of this South-East Asian region or, for that matter, the world, if we were to embrace this technology fully and have it as an integral part of what South Australia stands for—as, indeed, states such as Queensland are already doing. We sit here and wonder why there is enormous growth in Queensland. We sit here and wonder why we feel we are being left behind. We sit here and wonder why people are moving to Queensland. This is just one part of the answer. As we debate this bill in committee, we ought to sit down and think really carefully about our strategic direction, because I really think it is a little bit muddled.

In summary, I think the proponent of the bill and the member for Mitchell put up some good arguments about the risks associated with GM cropping. I note that some of my own colleagues on this side welcome the bill (particularly the local members for Kangaroo Island and Eyre Peninsula) and that is good. I understand that it will give us time for pause and reflection, and time to gather our thoughts while we work out what we are going to do about GM crops in the future. But the cat is already out of the bag and other states are going ahead with it. I do not think it will make any difference in the marketplace—we are perceived as we are perceived. Like so many bills from this government, it looks good and feels good and it will probably get a headline but, at the end of the day, it will not change the world one little bit.

Mrs REDMOND (Heysen): I want to make a brief contribution to this bill, because I happen to have had a bit of a look into genetically modified crops when I was in North Dakota last year. I think I was there while the member for Stuart was in South Dakota looking at something similar. In order to prepare for that trip, I read fairly extensively—and I do not promise to be any great scientific brain when it comes to genetically modified foods but, it seems to me, from everything I have read, that there is no evidence that genetically modifying foods is either harmful to health or harmful to the environment. Indeed, in North Dakota, the figures I was presented with indicated that, in a lot of cases, it is expected that there will be a benefit to the environment in moving to genetically modified foods because of the decrease in the amount of pesticides and herbicides that may have to be used in bringing crops to fruition.

Nevertheless, the real issue in my view is that of consumer resistance to the idea of genetically modified foods. I think it is actually the main genetic modification that leads to a lot of resistance, to the extent that North Dakota and, I think, South Dakota and a number of the other states were looking at the growth of genetically modified spring wheat which Monsanto have produced. They are ready to go to the farm with it, but they know that their main markets for that crop are Japan and the European union, and both of those markets are resistant to having that particular type of crop. They have basically a zero tolerance, and the reality is that there is no point in farmers growing what the market is not going to purchase.

To that end, the Monsanto organisation has given an undertaking to the farmers there not to introduce any of these genetically modified crops in the wheat until such time as there is a major change—a shift—in the views of the trading partners of America, in particular Japan and the European Union. At the end of the day, the customer is always right. There is no point in the farmer growing what the customer is not going to buy.

There are a couple of other issues that come into it. I am relatively convinced that it is not harmful to health or the environment, but there are issues about separation and cross pollination problems. I know that in North Dakota they told me that if the fact sheet said that you only needed to allow one metre to stop cross-pollination, and the federal government said that you needed to allow 100 metres, they would allow a kilometre, rather than take any chances. They went quite over the top in making sure that they were well outside the limits in order to prevent any cross contamination occurring.

Of course, the big issue will be the separation you will have in your market place, and essentially there are three levels of cropping: the GM free, organic and the GM crops. In America, there is a fair admixture of those things. In order to separate GM free, for the market place, you experience huge amounts of difficulty in terms of how you actually keep them separated, right down the chain from where they are produced to where they are sold into the market, as well as having to clean trucks, silos and all that sort of stuff, to prevent any contamination.

The other major issue identified in the states, anyway, was that of the legal liability potential; that is, if a GM crop should escape into the property of someone who is growing, for instance, organic crops, and they are certified organic, and they suffer a detriment, there is still an issue of legal liability.

Those issues are still to be sorted out, and I think, therefore, that there is the idea of putting a moratorium in

place—although I notice that apparently we are not calling it a moratorium: it is going to be called some sort of a pause. I would be interested if the minister can explain if there is any difference. To me it seems to be a moratorium.

I make two other comments, and that is in relation to the idea of making the Eyre Peninsula and Kangaroo Island GM free. One relates to the fact that that will be unfortunate for the farmers on the Eyre Peninsula or on Kangaroo Island who would be quite happy to be more productive and perhaps to become commercially viable by going into GM.

More importantly, overseas, Australia is regarded as Australia. They do not even recognise that we have separate states, let alone regions within states that we might be able to call GM free. So, it seems to me that in order for us to go one way or the other, we must, as a whole country, go one way or the other. At the end of the day, I believe that we will probably head into GM production, if only for the sake of trying to feed the 9 billion people who are expecting to be on this planet in the next 50 years or so.

In the meantime, though, I think it is appropriate, given those couple of issues to which I have alerted the house, for us to put this delay in place for a short time. However, I do think that we need to be really concentrating in the three years on what we are going to do at the end of the three years. I do not think it is enough to simply put a moratorium in place for three years and then just sit and not contemplate the issue further until that three years is up. We really need to be having some very firm discussions, and I suspect a lot of it will be about public education and public knowledge in the area of genetic modification. However, once the three years are up, I would like to think that this parliament is capable of coming to some sort of resolution about what we will do in the longer term to address what is clearly a significant issue but, as I said, one which I believe is not harmful to health or the environment but one where we do have a few other issues about marketing perceptions and so on to sort out.

Mr MEIER (Goyder): I am pleased to also have the opportunity to speak to this bill. I think my colleagues have summed up my feelings on the bill and I will not hold up the house unduly, other than to say that I recognise that this bill is a result of what the government regards as extensive consultation, and I would agree with that because it has been the subject of a select committee and it was made available for consultation in November, December 2003. I believe some 266 people in organisations responded to the consultation process on the draft bill, with a total of 142 separate submissions. It is good to see that it has been circulated a fair bit, and I know that it has certainly provoked discussion in my electorate. The discussion has varied from one extreme to the other; that is, we should not go down the genetically modified track through to the other side that, if we want to stay with our markets and if we do not want to be isolated from the rest of the world, we do not have a choice but to consider the genetically modified crops.

I further acknowledge that the ingredients of genetically modified crops will be handled through regulation, so we are not 100 per cent certain of the precise outcomes. In simple terms, I think genetic modification has been with us for so long. The simplest case is probably the creation of the merino sheep by Macarthur. Whether or not people are upset over that, we cannot undo our merino sheep today—and thank goodness we cannot because Australia has benefited so much from the merino sheep over so many years. However, it happens in a more simpler form with apples. For instance, if you want to plant an apple tree, any horticulturalist will tell you to ensure that you have at least one, preferably two, apple trees of a different type in near proximity so that cross pollination can occur. In speaking with the so-called experts that is definitely genetic modification.

It goes through then to many positives, some of which have been highlighted but I will identify them. For example, things such as drought resistant wheat and other crops; disease resistant crops; the insertion of vitamin A into crops such as rice to help overcome the eyesight problems for people who eat rice on a regular basis such as many of our Asian neighbours; the creation of salt tolerant grasses (and certainly that is very helpful to Yorke Peninsula); insect resistant crops, which again I believe have many more positives than negatives; herbicide resistant crops; and even things such as a shorter growing period.

We have seen GM modifications in so many crops over a long period. From some of my reading, I will not deny that there are some serious questions in relation to canola, but I also have read where some of the points put forward are not what they appear to be. Therefore, I recognise that we have to stay in step with the commonwealth legislation in this area and that, if we as a state do not act within this week I believe, we will be left behind and it will be totally unregulated which in itself may not be a good thing either. With those comments, I trust that this bill can have the speediest passage possible.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I thank all members who have contributed to the debate. On balance, they have reflected on the bill, although some have ranged well beyond the bill into areas of science which are probably a little spurious. I think the lead speaker for the opposition encapsulated the bill very well and clearly defined the boundaries within which we are operating. It is important not only to define the boundaries but also to remember that at this stage we are dealing with only two crops. Only two food crops have actually been licensed for release; therefore, the bill relates only to those two crops.

There are a couple of matters with which we need to deal in committee, and I look forward to further discussing those with members at that time. From the outset, this measure has been approached in a bipartisan way. We have tried to reflect in the bill the recommendations of the select committee and capture them as best we can in a form which is enforceable at a state level. I say that because the lead speaker for the opposition reminded us of the boundaries within which we have to operate under not only the commonwealth legislation (the Commonwealth Gene Technology Act 2000) but also the WTO requirements, etc. So, we must be mindful of those broader boundaries when we try, in this state, to walk that fine line between the impact on markets and not restraining research and development. I thank members for their contributions, and I look forward to dealing with the proposed amendments in committee.

Bill read a second time.

In committee.

The CHAIRMAN: The member for Mitchell has two sets of amendments. I ask him to clarify whether he is proceeding with both.

Mr HANNA: I intend to follow the amendments labelled 78(2), moving my amendment to clause 1. I will take that as a test clause on the principle that genetically modified crops should be banned in South Australia. If I succeed with that

amendment, I will move the remaining amendments on 78(2) and I will not move the amendments on 78(3). If I lose that amendment, I will not move any of the amendments on 78(2), but I will proceed with all the amendments on 78(3).

Clause 1.

Mr HANNA: I move:

Page 3, line 3—
Delete 'Management' and substitute:
Prohibition

On the face of it, this amendment deletes the word 'management' and substitutes the word 'prohibition'. That is what this amendment is about. I am moving this as a test amendment. I am putting forward the Greens' position that GM crops should be banned in South Australia. In my second reading speech, I outlined the reasons why the precautionary principle should be paramount in this regard. Even if we are not able to consider the health and environmental reasons because of the federal jurisdiction in respect of those matters, there are clearly economic and marketing reasons why we should take the cautious approach and follow the Western Australian leadership and, to some extent, the leadership shown in Victoria, and ban GM crops in South Australia.

The CHAIRMAN: I guess it could be argued that the amendment is a negation.

Mrs MAYWALD: I rise to oppose this amendment. I think it flies in the face of what we are trying to do as a state. A select committee has fully investigated this matter. I support the thrust of the legislation, and I believe a prohibition at this time, completely without providing the opportunity for us to explore the positive contribution to the state that GMOs could have, would undermine the future development of the state.

Mr WILLIAMS: I indicate to the committee that the Liberal Party also opposes this amendment

The committee divided on the amendment:

The CHAIRMAN: There being only one vote for the ayes, the question passes in the negative.

Amendment negatived; clause passed.

Clause 2 passed.

Clause 3.

Mr HANNA: I move:

Page 3—
Line 25—delete the definition of 'designated area' and substitute 'designated area means—
(a) the area designated by section 4A; or
(b) an area designated by regulation under section 5;

This is a fall-back position as far as the Greens are concerned, but the next five amendments standing in my name amount to a moratorium on GM crops in South Australia, but subject to certain specific exemptions.

The third amendment on this sheet is a moratorium for a period of five years after the commencement of this act. Breaching the moratorium would result in a maximum penalty of $200 000. There would be certain exemptions, which are set out in a proposed new subsection 4A(3). These would be exemptions, for example, where a particular crop is already in existence at this time. They are also concerned with the removal or disposal of material that has already escaped into the environment. If there are stray GM crop particles out there, we cannot penalise people if it is not their fault, but the general intention of this set of amendments is to have that moratorium so that we can further assess whether it is appropriate for South Australia to have GM crops.

Members will note the focus on marketing purposes for the reasons that I have already outlined. The federal legislation deals with health and environmental issues, not satisfactorily from the Greens' point of view, but nonetheless that is in the federal jurisdiction. This is a test clause. If I do not succeed with this amendment to clause 3, I will not be moving any amendments until clause 6 of the bill when there is another issue to consider.

Amendment negatived; clause passed.

Clauses 4 and 5 passed.

Clause 6.

Mr HANNA: I move:

Page 7, lines 13 and 14—Leave out subparagraph (ii).

This relates to the position taken in the bill in respect of closed loop production. There is an exemption in the bill that is essentially fairly tolerant in allowing companies to experiment with GM crops. To make sense of it, I need to refer to the bill. We are dealing now with an exemption process. I called the bill one which is a prohibition with exemption model and we are now dealing with the manner in which exemptions might be granted.

Clause 6 provides that the minister may publish a notice in the *Gazette*, with certain exemptions. However, the minister may not do that unless certain conditions are met. One of those conditions set out in the bill is that the purpose of the exemption is to allow a specified person to cultivate a genetically modified food crop on a limited and contained basis at a specified place or places. As far as the Greens are concerned, that does not really make any sense, because it will not be possible to produce a GM food crop on that basis. I would rather that that be taken out completely. That would still leave requirements that an exemption could be allowed on a limited scale in accordance with a GMO licence for the purpose of an experiment, and the minister would have to be satisfied that it is reasonable that the exemption be granted after taking into account market requirements.

So, what this means is that I am leaving in an exemption for purely experimental purposes but do not support an exemption simply because a farmer proposes to undertake a GMO crop on a limited basis—whatever that means. The fact is that that could mean a farmer wants to plant thousands of hectares of GM canola and, in my view, that would not be appropriate. Bearing in mind that the parliament has resolved not to go ahead with a moratorium and that it will allow GM crops on a limited basis, I say that if we are to allow that, it should be only on the basis of experimental crops and only if the minister is satisfied that market requirements would make that exemption reasonable. So, that is the reason for the amendment.

What I am saying to the parliament is that we should proceed on an experimental basis, if we are not to have a ban altogether, and, as a result of those experiments, we can then determine whether in fact it is appropriate to grow GM crops at all. In the context of the bill, that means whether there is a market for whatever we can grow in South Australia.

The CHAIRMAN: For clarification, we are dealing with the member's amendment No. 6, relating to clause 6. Members need to be aware that the member for MacKillop has amendments dealing with the same clause, the same page and the same line. If the member for Mitchell's amendment is carried, that takes the ground from under the member for MacKillop.

Mr WILLIAMS: Absolutely. I indicate that the Liberal Party does not agree with this amendment and opposes it;

indeed, we will move in the opposite direction. If this amendment were accepted by the committee, it would not only deny the reality of the world in which now we live—and, in that sense, I am talking about South Australia—and deny what is already happening in South Australia but it would also fly in the face of the recommendations of the select committee that looked into this matter. This would mean that, in a practical sense, not only would we never progress but we would even stop the experimentation of GM plants in South Australia.

During my second reading contribution, I spoke at length on the work that is being done at the Centre for Plant Functional Genomics at the Waite Institute. I made the point that, if we go down this path, we should not expect any plant breeding scientist worth his salt to be prepared to stay at the Waite Institute, because they would go to any place in the world where they could practise their trade and develop their skills. The ramifications of this amendment are quite significant.

The Hon. R.J. McEWEN: It was never the intention of the select committee or the government to take the 'D' out of 'R and D'. In effect, that is what this amendment does.

Mrs MAYWALD: I also oppose this amendment. Once you experiment with something you then need to move forward into field trials, and this would deny the opportunity to develop beyond the experimental stage.

Amendment negatived.

Mr WILLIAMS: I suggest that amendments Nos 1, 2 and 3 standing in my name be handled concurrently. It is just one process. Amendments Nos 1 and 3 are consequential to amendment No. 2 and enable it to fit into the bill. It is just leaving out an 'and' and inserting '(iii)'. The nub of the amendment is in what is listed on 78(1) as amendment No. 2. With this amendment the Liberal Party seeks to more accurately reflect the recommendations of the select committee. Nowhere in the bill do we talk about what the select committee termed a 'closed loop system'. What we talked about in the select committee was that, if someone was provided seed and planted it, grew the crop, harvested the seed and delivered it to the end user (which, for all intents and purposes in today's world would most likely be the person who provided the seed in the first place), and all those processes were done within a closed loop, so that at no time during the growing of the crop or the storage and transportation of the product of the crop to the end user did it cross paths with or impact on any other crop, crop system or product of any other crop, how on earth could that process affect the marketing of that other crop? That is what this bill is all about.

I remind the committee of what I said in my second reading speech. South Australia's jurisdiction over this relates only to marketing aspects of GM technology. We are saying that, if the growing of a GM crop cannot impact on the marketing of another crop, why should we regulate against that scenario? I believe that that was the position taken by the select committee. This amendment reflects much more closely what the select committee wanted to achieve than what the provisions of clause 2 would currently allow with only options (i) and (ii). I commend to the committee this third option, which would allow that closed loop system. I once again reinforce the fact that we are looking only at the marketing aspects of GM technology, and I cannot see why the committee would be unable to accept this amendment.

The CHAIRMAN: I will just clarify with the member for Mitchell whether his amendment No. 7 was consequential.

Mr HANNA: No.

The CHAIRMAN: We will deal with amendments Nos 1, 2 and 3. One of them deals with line 17, so I think we could probably—

Mr HANNA: Sir, I rise on a point of order. If you deal with amendment No. 1, I am sure that the member for MacKillop will not proceed with amendments Nos 2 and 3 if he loses it.

The CHAIRMAN: I cannot read his mind, or anyone else's. The member for MacKillop's amendment No. 3 deals with line 17. If the member for Mitchell regards his amendment No. 7 as not being consequential on amendment No. 6, we need to take that into account.

Mr WILLIAMS: I will try to help the committee. I will move amendment No. 1 on its own and we will test the committee. I move:

Page 7, line 14—
Leave out 'and'

Mrs MAYWALD: I want to ask a question in relation to what may be a consequential matter, namely, the definition of 'closed loop system'. Would we need to refer to it in the interpretations under clause 3 in order to clearly define it, given that it is a term that has not been defined as such?

Mr WILLIAMS: The member for Chaffey makes a valid point. Once we have tested the committee on this, I am more than happy to have an amendment drafted if the committee will allow me to do that.

The Hon. R.J. McEWEN: I am advised that this amendment neither adds to nor detracts a great deal from the bill; if anything, it clarifies to some extent what we intend to do. I also take the point about the definition, which is in the amendment and which states 'a closed loop that includes'; in effect, it captures what is meant by a closed loop. To that extent, I indicate that we are happy to support the amendment.

Mrs MAYWALD: That being the case, if the definition of 'closed loop' within the substance of that clause would also meet the needs of the member for MacKillop, I would be happy to accept it in its current form without further amendment.

Mr HANNA: I oppose the amendment. I bear in mind that the amendment allows a closed loop system amendment. It is an expansion of what is currently in the bill. True, it talks about the same person growing the GM crop, and the bill talks about a specified person. We can assume that is much the same thing, but the important point about the proposal from the member for MacKillop is that there is no suggestion that the GM crop needs to be on a limited and contained basis. That is the wording in the bill. That is a lot more palatable to the Greens than the exemption proposed by the member for MacKillop, because we do away with all sense that the exemption or the field trial, for example, can be contained. So, a farmer with 10 000 hectares can put canola right across it. We are really starting to water down the principle of the bill, if we are getting into large scale GM crop production. I oppose it on that basis.

Mr WILLIAMS: I point out to the member for Mitchell that the last word in amendment No. 2 is 'and', which means that if an exemption is granted under clause 6(2) it must fulfil the requirements of both subclauses (a) and (b) of clause 2. Subclause (b) provides:

The minister is satisfied that it is reasonable that the exemption be granted after taking into account market requirements.

That means that the minister then has to comply with the other clauses under clause 6 which ensures that all the things that are talked about in clause 5 about maintaining IP by supporting buffer zones and all those sorts of things are covered.

I think that the honourable member has picked up on the main difference, which is that this clause would add to the bill. I did think about moving a different amendment, which would merely delete the word 'limited' in clause 6(2)(a)(ii). The Liberal Party has a problem with the word 'limited', because how does one define 'limited'? I do not know how it might be defined. I think that the example given in the other place is that 'limited', obviously, would mean something completely different if we were applying it to a GM strawberry patch compared to a GM canola plant. The word 'limited', I think, could possibly make it very difficult for the minister to manage the bill, and that is why the Liberal Party is moving this amendment.

Mr HANNA: I think that the member for MacKillop has touched upon the key point. It is a rhetorical question: how can you have a limited and contained GM canola crop? Maybe there are some circumstances but, in the average farming community, I question whether it is possible at all. Just to clarify the drafting point, which the member for MacKillop has addressed, it is true to say that the exemption requirement that the minister must be satisfied that it is reasonable after taking into account market requirements is still there.

Yes, it is still there. But, apart from that, those proponents of GM crops will then have three choices in relation to growing it: they can go to the minister and say that the purpose is experimental; they can go to the minister and say, 'We will grow this only on a limited and contained basis at a specified place'; or, they can go to the minister and say, 'Look, this is not really limited and contained. It is a massive enterprise. However, we are going to have a closed-loop system', as per this amendment. It is a dramatic expansion of GM crop possibilities, I would suggest.

Mr WILLIAMS: As I said a moment ago, I take the honourable member's point on the word 'limited', but the word 'contained' which is used in the other clause and which is already in the bill as presented to the house, I think, is covered by most of what is in this particular amendment, that is, when we talk about the closed-loop system. That is the containment. So, the closed-loop system provides the containment. I fully agree with the honourable member that the difference, if it is passed, is that this would become subparagraph (iii), and the difference between that and subparagraph (ii) is mainly that word 'limited'.

The Hon. R.J. McEWEN: I am reading this in conjunction with subclause (4), which provides:

> An exemption may be granted by the minister on such conditions as the minister thinks fit.

Certainly, it would never be my intention to allow a broad acre closed-loop crop under subclause (3), and I do not think that is what is being asked for. The Office of the Gene Technology Regulator certainly used an area of something like nine hectares when it was talking about taking it to R&D. I am not saying that you would strictly confine yourself to nine hectares, but we are not talking about 1 500 hectares, or anything like that. We are simply, in conjunction with subclause (4), indicating that conditions will apply specifically to a closed-loop system.

So, I think that the checks and balances are still there, and that is why I am taking the advice that this does not significantly add to but to some extent clarifies the wishes of the select committee.

The CHAIRMAN: Is the committee happy to take amendments Nos 1 and 2 together because, I guess, they inter-relate?

Mr HANNA: No, I am not happy with that.

The CHAIRMAN: We will do it one at a time then.

Amendment carried.

Mr WILLIAMS: I move:

Page 7, after line 14—
Insert:
or
(iii) to cultivate a genetically modified food crop on the basis that all dealings with the crop will be undertaken by the same person (or by a person or person acting on behalf of the same person) under a *closed loop system* that includes processes and procedures designed to ensure the segregation of the crop, and of any GM related material, from other crops, materials, products or things in order to preserve the identity of those other crops, materials, products or things; and

I think we have had enough discussion about this.

Amendment carried.

Mr HANNA: I move:

Page 7, after line 14—
Insert:
(ab) the Minister has—
(i) by notice issued in accordance with the regulations, informed the occupiers of land within the surrounding area that the conferral of an exemption has been under consideration; and
(ii) allowed any occupier of land within the surrounding area to make representations in writing to the Minister over a period of at least 6 weeks specified in the notice; and
(iii) given consideration to any representations received under subparagraph (ii); and

Members will have noticed that I am fighting a rearguard action and gradually retreating from my initial position, hoping to get support for this amendment. To put it in context, we are still dealing with the conditions upon which the minister may grant exemptions to allow the production of GM crops. In this amendment I suggest that there be a procedure whereby notices are issued to those in the surrounding area, that is, within a 10 kilometre radius from the place where the relevant crop is proposed to be cultivated. The occupiers of land within that area ought to be allowed to make representations in writing to the minister over a period of at least six weeks. That will enable the minister to consider whether the proposed crop is limited, contained or properly segregated from other crops.

I thought I might receive some support from the opposition in this regard because there truly is widespread concern in the farming community amongst those who wish to defer a decision on GM crops or those who positively do not wish to grow GM crops, perhaps because they have European buyers. They are concerned that contamination will result unless a great deal of care is taken. Without this amendment it is possible for the farmer next door to begin growing GM canola and for the neighbour not to realise until it is too late and contamination has already taken place. I hope that some of the farmer's opposite share those concerns that, at the very least, if there is going to be a GM crop in next door, you ought to have notice of it.

It is the same principle that applies in planning in the metropolitan area. If my neighbour is going to put up a three-storey building next door I get notification under the planning law. If the farmer next door is going to put in GM canola you want to know about it. I believe there should be support from the Liberal opposition in relation to this and I commend it to the committee.

Amendment negatived.

Mr WILLIAMS: I move:

Page 7, line 17—
After '(ii)' insert:
or (iii)

This amendment is merely consequential to the earlier amendment.

Amendment carried.

Mr HANNA: I am not proceeding with amendment No. 8, because it was predicated upon my successfully removing the possibility of limited and contained GM crops being allowed. Since I lost that earlier amendment and we now have three possibilities for those proponents of GM crops, I would like to retain the requirement that the advisory committee be consulted by the minister before giving permission. So, I do not proceed with that amendment. I do not proceed with amendment No. 9, because it was consequential upon my amendment No. 7.

Clause as amended passed.

New clause.

Mr WILLIAMS: I will not proceed with the amendment standing in my name. I have had a series of discussions with the minister on this. The Liberal Party does have some concerns. I will take the opportunity to air those and I hope the minister might be able to respond. The practical reality of the bill is that it provides that, if we can maintain identity preservation and if we have a set of protocols, then the minister can consider allowing the release of genetic crops into the environment.

The reality is, in a practical sense, that nothing is provided for in the bill to drive the development of those protocols. The bill refers to industry protocols and assumes that the industry will develop the protocols. The problem that the Liberal Party has with that is that there is no incentive for industry to do that. Certainly, at this stage, the part of the industry (and we are talking in a very practical sense) which wants to move forward is the canola industry, which is only a very small part of the grains industry in South Australia. The part of the industry which will be needed to develop such protocols basically is the storage and handling system, which is a huge industry in itself but is related mainly to cereal crops. So, there is no necessity or incentive for AusBulk or the Australian Wheat Board to get into the business of developing such protocols because the genetically modified canola sector of the industry is only very small and the cost of developing these protocols might not be insignificant.

That is why the Liberal Party contemplated such proposals in the first instance. It is my understanding that we would not be successful with these amendments, and that is why I will not bother the committee in moving them. However, I hope the minister might be able to enlighten us as to how he sees the grains industry in totality moving ahead. It seems that such protocols will be the precursor to the next step but, without a proactive stance being taken by the minister and his department and/or the committee (which will also be set up, hopefully, later in this bill), I cannot see how the protocols will be developed and how we can possibly take the next step.

The Hon. R.J. McEWEN: I might start first with the select committee, which talked about how coexistence to meet market demand for different classes of crops and products—for example, GM-free, non GM and GM—can be guaranteed by industry through the establishment of rigorous and cost-effective segregation and IP systems throughout the total production and supply chain. So, I am trying to be as consistent as I can with the select committee.

The select committee was saying that it is our job to be the umpire and what industry does best is find novel and imaginative ways to solve these problems in a cost-effective way. When the commercial imperative exists, I trust that they will do it, and I think that is consistent with the select committee and a sound way to move forward.

Mr WILLIAMS: I crave the committee's indulgence because we are discussing a hypothetical clause, but can the minister answer this: if a producer, a company, a company and a producer, or a company and a series of producers come up with a scheme whereby they can grow a crop which has been approved by the Office of the Gene Technology Regulator and can deliver to the minister a set of protocols which they will abide by and adhere to in order to maintain what we have referred to as a closed loop system so that it cannot possibly impact on the marketing or marketability of other crops, will the minister take that as being the necessary protocols to allow them to move forward?

The Hon. R.J. McEWEN: We go back to clause 4, which talks about an exemption being granted by the minister on such conditions as the minister sees fit, and I have talked about this being an extension of the amendment that I accepted. We are talking about small, tight, closed loop systems, and I have plenty of confidence that the industry will find, within that environment, the ways to maintain that security, and there will be a number of methodologies to do that, depending on the crop and the nature of the system. So, I do not see any difficulty asking industry in that set of circumstances to come forward with the way in which they intend to achieve that objective. On the contrary, I would not see the government actually leading that.

Mr HANNA: I accept that the minister does not want to see contamination of GM crops spread to other crops, but how is the minister then proposing to ensure that there will not be contamination of non-GM crops? If the minister is going to be granting exemptions on conditions, how is the minister in practical terms going to achieve that? Is the minister, for example, considering keeping canola a certain distance from the border of properties which might abut farms which do not have GM crops? What are the practical measures the minister is going to be looking for to try to contain GM crops?

The Hon. R.J. McEWEN: We have gone way beyond where we are with this particular amendment. As part of the stringent conditions that would be put in place before you get approval, issues around contamination will be dealt with. In a closed-loop system, of course, there is no way that the product of that crop will end up in the generic supply chain. So, identity preservation and secure segregation will obviously be very tight. We are not talking about something and then finding it in the generic distribution chain at all. So, the only time you will deal with an issue around contamination is around pollen transfer. I cannot see anywhere else in this closed-loop system that the set of circumstances the member alludes to can occur. Obviously, that would be dealt with as one of the conditions, before you will be granted an exemption notice.

The CHAIRMAN: We do not have a clause that we are debating; we are talking about a hypothetical situation, because the member for MacKillop withdrew it.

Mr HANNA: Just following on from that, how is the minister going to do that? How will you tackle the pollination issue?

The Hon. R.J. McEWEN: In the same way as the Office of the Gene Technology Regulator did it and will continue to do it for crops that it is dealing with, keeping in mind that it is looking at, I might add, the more significant issues around the environment than we are, because it has got to get through that loop first. Again, to impose strict separation criteria, and to monitor them strictly.

Clauses 7 and 8 passed.

Clause 9.

Mr HANNA: I move:

Page 8—
After line 33—Delete 'between 9 and'

Clause 9 deals with the advisory committee. We have just agreed that there should be a GM crop advisory committee. I have suggested an amendment which affectively ensures that the committee would be made up of 11 members, whereas the bill currently suggests that it consist of between 9 and 11 members. The reason for this change is explained by the following amendment in my name, and that is that there are two additional categories which I believe should be included when it comes to consideration of the membership of the advisory committee.

I say that there should be a person appropriate to act as a consumer representative, and I say that there should also be a person with appropriate experience in the field of health and environmental science. One may think these are not matters strictly pertaining to GM crop production, but in my view, because we are doing something entirely new here in South Australia, we need to take a broader view, particularly so in relation to the advisory committee. It is important for the full range of views in relation to GM crops to be aired and the advisory committee is the appropriate place to do that. What the minister does with advice from the advisory committee, at the end of the day, is up to the minister, but nonetheless it will be useful for debates about what is and what is not appropriate to take place in the advisory committee setting. It is because I have two additional categories which I am suggesting for membership of the advisory committee that I suggest that the number should be fixed at 11 members, rather than the current suggestion that it should be between nine and 11 members.

The Hon. R.J. McEWEN: I agree with what the member says in relation to a full range of views being aired, but this is not the appropriate place for the full range of views to be aired. That job has already been done once and we do not want to do it again. We have had to get through the substantial barriers as part of the federal act and the Office of the Gene Technology Regulator. What we are now dealing with in this bill is a very limited set of circumstances around the marketing implications of crops that have already gone through all that. All the issues around consumers views of health, the environmental issues and so on have all been dealt with and we are not dealing with them. As much as I agree that they all must be dealt with as part of the process, they are dealt with at the appropriate place in the process and we will not have a second chance to regurgitate all that. If it has got through that process, then what we are focussing on (which is all we can do unless we are to be in breach of the Constitution and everything else) are the marketing issues, and I think the advisory committee as it is set up is appropriate to give the minister advice in terms of the limited scope that we have sitting underneath the Office of the Gene Technology Regulator.

Amendment negatived.

Mr HANNA: I move:

Page 8, after line 33—
Insert—
(i) one must be a person nominated by the minister who is, in the opinion of the minister, an appropriate person to act as a consumer representative;
(j) one must be a person nominated by the minister who has, in the opinion of the minister, appropriate experience in the field of health and environmental science.

This amendment it is not strictly consequential to what I have just suggested. I simply restate that, in my view, there should be a consumer representative on the advisory committee and there should be a person with appropriate experience in the field of health and environmental science. It would not detract from the committee; it would only add to the committee's deliberations.

Amendment negatived; clause passed.

Clauses 10 to 26 passed.

New clauses 26A and 26B.

Mr HANNA: I move:

After clause 26—
Insert—
26A—Public liability insurance
A person must not—
(a) cultivate a genetically modified food crop within a designated area; or
(b) sell a genetically modified food crop cultivated within a designated area,
unless there is in force a policy of public liability insurance indemnifying the person in an amount of at least $20 000 000 in relation to economic loss that may be suffered by another person on account of the cultivation or sale of the crop.
Maximum penalty: $20 000.

As I have pointed out earlier, my concerns and the Greens' concerns in relation to this bill are not only in relation to the broader issues of health and environmental issues but there is a real practical concern for farmers who want to be GM free. We know there is a substantial number of farmers who wish to be GM free in South Australia and around the nation. We can look then to protect them in this bill. I put forward two proposals in the one clause, which will assist those who want to have an adequate comeback to GM farmers who, through their practices, might contaminate the crops of those who wish to remain GM free.

These two proposals involve public liability insurance and the liability of entities related to the producer of GM crops. Regarding public liability insurance, the Greens would like to see an insistence upon public liability insurance to the amount of at least $20 million for economic loss that may be suffered by a farmer who wishes his crops to remain GM free. For example, if farmer Smith and farmer Jones live next to each other and farmer Jones undertakes the cultivation of a GM crop and it spreads to farmer Smith's crops and he is then unable to sell those crops to his established buyers in, say, Europe, then farmer Smith should be able to sue farmer Jones successfully. It will be of benefit to the innocent farmer in such a situation if there is adequate public liability insurance. It will not necessarily be there unless we provide for it in this legislation; I therefore propose that that should occur.

I also propose that, should one farmer wish to sue another because of crop contamination, liability should be spread beyond the immediate producer of the GM crop. For example, farmer Jones decides to grow GM canola on the edge of his property. However, to avoid liability in the case of contamination, farmer Jones sets up Farmer Jones Canola Pty Limited, a $2 company essentially without assets other than the seeds to grow the canola and a lease over the land on which it is to be grown. In that situation, farmer Smith is then subject to millions of dollars of economic loss and, if farmer Smith wishes to sue Farmer Jones Canola Pty Limited, farmer Smith will find there is no effective recourse to be had. Even though legal action might be entirely proper as far as the court is concerned, there would be no practical benefit in suing such an entity.

Therefore, I have defined 'related entities' in terms of the directors, substantial shareholders or related companies of a company such as the one I have described in my example, which I have named Farmer Jones Canola Pty Limited. I want to ensure that there is some entity of substance, whether it be a person or a corporation, that a farmer can sue if they wish to remain GM free and they have actually lost substantially as a result of GM crop contamination. These are two reasonable and sensible measures designed purely for the protection of neighbouring farmers who wish to recover their losses if they suffer economic loss as a result of their crops being contaminated with GM material.

This is not idealistic grandstanding about human health problems or broader environmental concerns; this is purely and simply for the protection of farmers who want to stay GM free. There are some out there. The farmers on the benches opposite must know of people who wish to retain that status because they have customers in Europe who want to buy GM free canola. So, for their sake, given that we are going to gradually have GM crops proliferate in the state, let us have some effective recourse for those farmers who lose out. There will be some who lose out as a result of GM crop contamination, so let us give them effective recourse against their neighbours.

Mr WILLIAMS: The Liberal Party opposes the amendments proposed by the member for Mitchell, and I will take a few minutes to explain why. First, let me remind the members that this bill is about marketing and marketability. That is really all I should have to say on this matter, but I have done some research on this. I know that this matter was canvassed widely in another place. One of the problems with the member's proposed clause 26B, is that right at the end of subclause (1) it states:

> then any related entity of the respondent will also be jointly and severally liable for that loss or damage.

One of the problems we have with GM technology that a lot of people fail to appreciate is that a whole plethora of people are involved in the GM product that we are discussing. It could be any number of university faculties spread around the world. When one looks at the patents covering this GM material, one sees that a large network of people can be traced back. So, the first point I make is that the related entity could lead you on a path of people who have an interest in this crop, right through research institutions particularly, all over the world.

The other point I make relates to a paper produced by the Science and Economic Policy Branch, Australian Government Department of Agriculture, Fisheries and Forestry in September 2003, entitled 'The liability issues associated with GM crops in Australia'. It talks about liability issues. It does not directly address what the member has raised here but it does talk about introducing strict liability, or additional special liability provisions in legislation to handle GM technologies only.

The argument being made throughout this paper is that virtually every jurisdiction, with two exceptions I will name in a moment, accepts that the normal and, in our case, common law gives enough redress to anyone who finds themselves in a situation where their business or whatever has been impacted by the growing of a GM crop on, for instance, a neighbouring property. I reiterate that this is not what this bill is about: this bill is about marketing.

Austria and Germany are the only two jurisdictions that have apparently addressed these issues of liability by introducing special provisions through legislation and/or regulation. I will quote from what the royal commission in New Zealand said on this matter, as follows:

> The commission considers it unnecessary to recommend legislation providing special remedies for third parties, where they may have been affected by the release of a genetically modified organism. As technology advanced with ever-increasing pace throughout the 20th century, the common law (that is, law based on court decisions, as distinct from statute law) showed it was well able to mould new remedies for novel situations. Parliamentary intervention has rarely been needed in this area. From a legal liability perspective we have not been persuaded there is anything radically different in genetic modification as to require new or special remedies.

I think that covers very succinctly the area that the member is trying to introduce into the bill with this amendment.

The Hon. R.J. McEWEN: Briefly, there are five reasons why we do not support this amendment, the first, of course, being that this bill is on about regulating a GM free environment. The second is that it is all about marketing; the third is that we do not believe that this is the appropriate way to deal with liability issues; the fourth is that we believe that the common law is the appropriate way to redress such issues; and the fifth is that we think that if it is a significant issue it will be revisited if we do arrive at the time where we actually allow the commercial release of GM crops.

I did give an undertaking to the Hons Nick Xenophon and Ian Gilfillan that we would have a look at this issue between the houses. We have certainly taken advice on it and, obviously, so has the opposition. We concur with the opposition's view that this is neither required nor appropriate in this legislation at this time.

Mr HANNA: I am glad that both the member for MacKillop and the minister have pointed out that this bill is about marketing, as far as they are concerned, because that is exactly what this amendment is about. It says that if you are a farmer who wants to be GM-free because you have a market in Europe for your product, and you have it contaminated by someone, you should have a right of recourse against that GM crop farmer next door. It is exactly about marketing. We are talking about the possibility of GM crop contamination that destroys someone's market. Of course, it may not be just for the neighbour who actually gets some GM crop material contaminating their crop: it could be that a whole region has its reputation impaired in respect of those markets which prefer to take onboard GM-free crops. So, it is precisely about that issue which the minister and the member for MacKillop say is paramount.

Secondly, how illusory is the reliance on common law. I am quite surprised that two gentlemen familiar with business and the ways of the world place such reliance upon the

common law. Of course, common law gives the right to an action against a farmer whose GM crop material strays and contaminates a neighbour's crop, but what happens when you sue a company and it has $2 to its name? It is dissolved at the drop of a hat. All the common law rights in the world will do you no good at all. I would be very surprised if members have not heard of those situations arising before. So, it is important to have either adequate public liability insurance or the ability to sue related entities so that you have someone substantial—not just the proverbial man of straw, or the man of canola—to sue. It is important that there is some money in the pot if you ever have to sue someone and exercise those common law rights.

The Hon. R.J. McEWEN: We do not deny anything the member is saying: we are simply saying that putting it in this bill to deal with this particular limited issue of liability is not the appropriate way to deal with it. Certainly, a farmer has to have an adequate public liability policy. There are a whole lot of ways you can put your business at risk. You do not have a bill to deal with every single issue. There are plenty of risks at the moment in farming in terms of pesticide contamination and drift, and all sorts of things. We are not denying that the member makes a valid point; we are simply saying that you do not deal with it in a specific bill of this nature.

Mr HANNA: I will just make one final and brief comment. The reasons that GM crops deserve special consideration are, first, that it is a novel scene in South Australian agriculture and we do not know the full ramifications yet. Secondly, we know from the way that the markets work overseas that if there is the slightest amount of GM crop contamination that could mean an entire farm gone forever in the future, or an entire region's farms that lose their overseas markets forever. So, it is of a much greater magnitude than the loss which might be caused by the drift of a pesticide, and so on. I make those points and I am willing to test it in the parliament on that basis.

The committee divided on the new clauses:

While the division was being held:

The CHAIRMAN: There being only one vote for the ayes, the new clause is lost.

Clauses 27 to 29 passed.

Schedule.

Mr WILLIAMS: I move:

Clause 1, page 16, line 37—After 'regulation' insert:

that applies in relation to Kangaroo Island (and no other part of the State) and

Had the member for Mitchell moved his amendment to the schedule, it might have achieved what I am trying to achieve with mine. I am somewhat disappointed, because between us we might have carried the day. This amendment proposes that we handle differently the two areas that the minister intends to declare as GM free zones—one zone being Kangaroo Island and the other being Eyre Peninsula. For the benefit of the committee, I will explain briefly. The bill provides for the minister to divide the state into various zones via regulation, as long as he promulgates those regulations on the same day as the bill is proclaimed, without having to go through the process that is set out in clause 5, that is, without the community consultation process. As long as the minister declares, in this instance, Kangaroo Island and Eyre Peninsula as GM free zones by regulation on the same day as the bill is proclaimed, the communities in those two areas do not have the opportunity provided by clause 5 to be consulted on the declaration.

It is my understanding that the community on Kangaroo Island is more than happy with that situation. It is more than happy for the minister, on the day the bill is proclaimed, to declare that Kangaroo Island be a GM free zone and, for the minister to vary that at some subsequent date, the community would have to be consulted under clause 5, and particularly subclause (3), which sets out the process. The community would have to be consulted and, via that process, it could request the minister to revoke that declaration and thus it would become a non-GM free zone. I understand that the Kangaroo Island community is quite happy with that situation.

The Eyre Peninsula community would like to reverse the system. On the day the bill is proclaimed, the community would like to be nominally not declared a GM free zone, but the minister would still have within his powers the ability to go through the processes set out in clause 5—particularly the consultation process in subclause 5(3)—to consult with that community, and it would still have the opportunity to tell the minister, if it so desired, that it wanted to become GM free from that point on.

So, there is an opt-in and opt-out situation, that is, whether you choose to be declared in the first instance, with the opportunity to opt out, or not declared in the first instance, with the opportunity to opt in. The reason that the Liberal Party proposes this amendment is that it is our understanding that the community on Eyre Peninsula (and I expect that the member for Flinders will also talk on this point) would rather have the opportunity not to be declared GM free in the first instance but is quite happy to be consulted as to the community's status. It does not particularly want to have that declaration, because there is no process which can be initiated by the community to go through that consultation process, and that is their problem. If it is the other way, they believe that the minister will initiate the consultation process and they will have the opportunity to have their say.

The other point I make which I hope the minister will address is that the consultation process as described in clause 5 does not stipulate who will be consulted: it just talks about the community. Again, I ask the minister: because we are talking about marketing and the marketability of crops, will that consultation process be restricted to those people who will be affected by marketing and marketability?

The Hon. R.J. McEWEN: The answer to the second question is yes. Obviously, this is a bill about marketing. We will not go and consult on health, the environment or any other issues. We made that point earlier in relation to the other debate. I do not support this amendment because we have tried in a bipartisan way right through this debate to truly reflect, to the best of our ability, the intention of the select committee. In his extensive and thorough remarks, the lead speaker for the opposition made the point about those 16 recommendations. I think I should briefly read to the committee recommendations 8 and 9. Recommendation 8 states:

> The community of the Eyre Peninsula must be provided the opportunity to establish the peninsula as a GM crop free area for marketing purposes. While the community of Eyre Peninsula is undertaking the process of deciding whether the peninsula should be declared to be a GM crop free area for marketing purposes, with full community consultation, the release of GM crops on the peninsula should be prohibited under all circumstances. Also, if the Eyre Peninsula is charged to be a GM crop free area, the release of GM crops on the peninsula should continue to be prohibited under all circumstances.

Recommendation 9 states:

Through the legislation and/or other mechanisms the South Australian government should facilitate, assist and/or empower the communities of Kangaroo Island and the Eyre Peninsula—

Kangaroo Island, of course, was dealt with in recommendation 7, and the speaker for the opposition has alluded to that—

to address the above issues and to determine whether their area should be declared to be a GM crop free area for marketing purposes.

I have not been lobbied in the meantime to reverse that. So, I have no reason to go back on what we have dealt with in a bipartisan way in terms of reflecting the recommendations of the select committee. On that basis, I cannot see how we can now support this amendment, which flies in the face of that.

Mrs MAYWALD: Given the minister's comments in respect of the select committee's report, I tend to oppose this motion, but I would like to pose a question first. What will happen on Eyre Peninsula during this time if we start with the opt out option to which the member for MacKillop has referred, so that GM crops can be planted? If a GM crop is planted in this interim period and the community then decides, after consultation, that it wants to be GM free, how does that affect its status?

The Hon. R.J. McEWEN: I do not see how the scenario that the honourable member has proposed can occur. The bill is saying that it is prohibited until such time as you as a community ask to have the right to opt in and, therefore, satisfy the conditions of the central area. So, it cannot occur. I have obviously misunderstood the honourable member's question.

Mrs MAYWALD: If the member for MacKillop's amendment gets up and we have the opt out until the community decides that it wants to be GM free, and a GM crop is planted in the interim, how does that affect the status? Can you have 'let us opt out' and in that period if a GM crop is planted would it have a significant impact on the potential to be GM free in the future?

The Hon. R.J. McEWEN: The mover of the amendment might like to answer that, because my view is that you are buggered.

Mr WILLIAMS: Notwithstanding the comments that the minister has made, it is my understanding (and I made this point, I thought, quite well in the second reading) that the bill gives the minister the reins in everything that happens. The bill provides the minister with head powers to make regulations to do everything that will occur with respect to GM technology in South Australia over the next three years at least. The first part of recommendation No. 8 of the select committee is fine. It states:

The community of Eyre Peninsula must be provided the opportunity to establish the peninsula as a GM crop free zone for marketing purposes.

That is fine. If my amendment is successful, the community will have that opportunity. That opportunity is provided by clause 5(3) of the bill. So, they have that opportunity. Where we may have a little trouble is the next paragraph, which states:

While the community of Eyre Peninsula is undertaking that process of deciding whether the peninsula should be declared to be a GM crop free area for marketing purposes with full community consultation, the release of GM crops on the peninsula should be prohibited under all circumstances.

Again, I believe that, if the amendment that I am proposing is successful, the minister has within his power the ability to prevent the release of any GM crops on Eyre Peninsula until the process, as described under clause 5(3), is gone through, including the opportunity for the community to do so. I do not believe that there is any risk of the scenarios described by the member for Chaffey. I do not believe that there is any risk that the community of Eyre Peninsula will have the minister approving via the regulations, because everything is going to be done by regulations, until the process as described in clause 5(3) is gone through.

The reverse is the problem for the people of Eyre Peninsula. If they are designated as GM crop free as of day 1, how do they initiate the process? The initiation of the consultation process, as described in clause 5, is at the minister's behest. I am sure if the minister wants them to opt in, he will start the process. If he declares them in, there is no incentive for the minister to give them the opportunity to opt out. Again, as I described in the second reading, the parliament has to take the minister on trust on a whole lot of things, and this is another one. I am not suggesting that we do not trust the minister: all I am saying is that, if we reverse the onus, I am quite happy that the minister will do the right thing. If we do not, there are no guarantees and we just have to take the minister on trust. I am just trying to reduce the risk for the people of Eyre Peninsula.

The Hon. R.J. McEWEN: To reverse the onus is not to truly reflect the sixteen recommendations of the select committee. At any time, if the community wishes to write to me, the minister, to review that, that would be the starting point. There is nothing in here that says only the minister can do that. The community could easily write to the minister. I want to ensure that, for the rest of this bill, we are honest to the select committee report. I would like to finish that process by saying that, on these two recommendations, we have continued with that approach.

Amendment negatived; schedule passed.

Title passed.

Bill reported with amendments.

The Hon. R.J. McEWEN (Minister for Agriculture, Food and Fisheries): I move:

That this bill be now read a third time.

Mr HANNA (Mitchell): I have been unsuccessful, first of all, in trying to ban genetically modified crops in South Australia and, on behalf of the Greens, I have moved a number of amendments which would have provided greater protection to farmers who did not wish to have their crops contaminated with GM crops.

I would also like to take this opportunity to thank the Hons Ian Gilfillan and Nick Xenophon. Their work in the upper house last week did produce some results in terms of amendments that have been incorporated into the bill, and I am glad to see that.

Bill read a third time and passed.

ADJOURNMENT

At 11.57 the house adjourned until Tuesday 30 March at 2 p.m.