HOUSE OF ASSEMBLY

Tuesday 1 March 2005

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

COROMANDEL VALLEY, ALLOTMENT SIZES

A petition signed by 497 residents of South Australia, requesting the house to urge the Minister for Planning to effect an increase in the minimum allotment size in the township of Coromandel Valley, within the city of Onkaparinga to be consistent with allotment sizes for the township of Coromandel Valley, within the city of Mitcham, was presented by the Hon. I.F. Evans.

Petition received.

QUESTIONS ON NOTICE

The SPEAKER: I direct that the written answers to the questions in the schedule that I now table be distributed and printed in *Hansard*: Nos 121, 169, 193, 220, 279, 329 and 339.

WAKEFIELD PRESS

121. **Mr HAMILTON-SMITH:** Have any Government grants been awarded to Wakefield Press and if so, how much and for what purpose?

The Hon. M.D. RANN: I am advised:

Wakefield Press publishes more than 30 books each year, and about 75 per cent of those published are written by South Australians. Wakefield Press is recognised internationally for the quality of its writing, design and production.

Wakefield Press has been provided with funds for over ten years from the State Government to support the publishing of literature and arts works, this is a practice supported by the previous Liberal Arts Minister, Diana Laidlaw.

Government funding enables Wakefield Press to publish innovative and emerging writers. A recent example of how this benefits South Australian artists is the sale by Wakefield Press of the rights of young South Australian writer Corrie Hosking's novel *Ash Rain* to the Spanish market.

Since 2000 Wakefield Press has been awarded a total of $524 950 in Government funding through Arts SA. This has included Annual funding, Editorial Services Publishing and Promotion and Other Arts Assistance funding, Health Promotion Through the Arts sponsorships for publication of a catalogue for the Carrick Hill Retrospective Series exhibition, and project assistance to 2004 and funding from 2005 towards the publication of the annual SALA artist's monograph series.

Please find enclosed a list of all grants provided since 2000.

Grants Since 2000

Program Title	Program Area and Description	Year	Amount
1. Annual Funding	Annual Funding Industry Development Funding for 2000/2001	2000	23 750
2. Annual Funding	Annual Funding Annual Funding Industry Development Funding for 2001/2002	2000	48 700
3. Editorial Services	Editorial Services Editorial services for Memoirs of a Barrister by Jack Elliott	2000	2 500
4. Editorial Services	Editorial Services Editorial services for The Goode Life by Angela Goode	2000	1000
5. Editorial Services	Editorial Services Editorial services by Penelope Curtin for 'History of the State Opera' by Elizabeth Silsbury	2000	2000
6. Editorial Services	Editorial Service Editorial services by Michael Bollen for 'Objects of the Frontier' by Philip Jones	2000	1000
7. Other Arts Assistance	Other Arts Assistance Subsidy for production of SA artist John Dowie Book, including 2000 towards editing fees	2000	15 000
8. Project Assistance	Leadership PUBLICATION OF A SERIES OF FIVE MONOGRAPHS	2000	80 000
9. Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotional costs towards Memoirs of a Barrister by Jack Elliott	2000	2000
10. Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotional costs towards Wagner's Parsifal by Peter Bassett	2000	2 000
11. Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotional costs towards Kaltja Now by Ian Chance et al	2000	2500
12. Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'Volunteering' by Joy Noble	2000	1000

13.	Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'Fatal Collisions' by Rick Hosking et al	2000	3 000
14.	Annual Funding	Annual Funding Industry Development Funding for 2002—2004	2001	12 750
15.	Editorial Services	Editorial Services Editorial Services by Gina Inverarity with Michael Bollen for 'Lady Luck' by Kirsty Brooks.	2001	500
16.	Editorial Services	Editorial Services Editing by Michael Bollen with Gina Inverarity for 'Corporate-sponsored verse, Urban Ghost & Sticky Poems' by Stephen Lawrence.	2001	1 500
17.	Health Promotion Carrick Hill Trust/Wakefield Press	Health Promotion Carrick Hill Retrospective Series: Ivor Hele (exhibition & book)	2001	15 000
18.	Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'Lady Luck' by Kirsty Brooks.	2001	1 000
19.	Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'The Lung Print' by Stephen Lawrence.	2001	1 000
20.	Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'My Side of the Bridge' by Veronica Brodie.	2001	2 750
21.	Publishing Promotions	Publishing Promotions Program Publishing Promotions Promotion of 'The Wakefield Companion to South Australian History' by Wilfred Prest.	2001	1 500
22.	Annual Funding	Industry Development Annual Funding Annual Funding Industry Development Funding for 2002—2004	2002	165 500
23.	Health Promotion Carrick Hill Trust/Wakefield Press	General Sponsorship Health Promotion The Carrick Hill Retrospective Series: William Dobell	2002	15 000
24.	Project Assistance	Leadership Artists' Monographs Series: 2002—2004	2002 2003 2004	60 000
25.	Health Promotion Carrick Hill Trust/Wakefield Press	Health Promotion The Carrick Hill Retrospective Series: William Dobell	2002	15000
26.	Health Promotion Carrick Hill Trust/Wakefield Press	General Sponsorships General Sponsorships The Carrick Hill Retrospective Series: Hans Heysen	2003	9 000
27.	Health Promotion Carrick Hill Trust/Wakefield Press	General Sponsorships General Sponsorships Carrick Hill Retrospective Series: Arthur Streeton, the European Works	2004	5 000
28.	Other Arts Assistance	Other Arts Assistance Other Arts Assistance Arts Funding Initiatives—new visual arts publication series	2004	25 000
29.	Project Assistance	Established Artists Project Assistance 10 000 towards the publication of the next 5 books in the SALA series	2004	10 000
TOTAL				524 950

STATE STRATEGIC PLAN

169. **Mr HAMILTON-SMITH:**

1. How will the Government achieve target 4.6 of the State Strategic Plan to exceed national average expenditure on research and development, what have been the results and how much is being invested?

2. How will Target 4.8 of the State Strategic Plan to attract major national research centres and CRC's be funded, including from which budget line?

The Hon. M.D. RANN: The Minister for Science and Information Economy has provided the following information:

1. Target 4.6 is aimed at business expenditure on research and development (BERD) in South Australia. The latest Australian Bureau of Statistics (ABS) data released in September this year

(ABS 8104.0 September 2004) show that in 2002-03, South Australian businesses invested $527 million in research and development, which represents 1.08 per cent of GSP and is higher than the Australian average (as a percentage of GDP) of 0.79 per cent but below target to approach the OECD average within ten years (currently about 1.3 per cent eg. UK 1.26 per cent, France 1.37 per cent in 2002-03).

The State Government is working to create an environment in South Australia that further encourages local business investment in research and development as set out in the 10 Year Vision for Science, Technology and Innovation.

Examples include major science infrastructure investments such as SABRENet and the bioscience incubator at Thebarton. The State Government is also working to promote the expertise and capabilities clustered around the five innovation precincts around Adelaide to attract and encourage businesses to conduct their research and development in South Australia.

In addition, the Department of Trade and Economic Development (DTED) is looking at ways of increasing business expenditure on R&D through initiatives to leverage funding under the Federal Government's new Commercial Ready Program. DTED will also look at identifying initiatives for the manufacturing sector to increase investment in research and development (in consultation with the Manufacturing Consultative Committee) under the forthcoming State Manufacturing Strategy.

2. The State Government has provided a forward commitment of $4.2 million over seven years from 1 July 2005 to support locally-based headquarters or major nodes of new CRCs applying to the current ninth CRC funding round. The outcomes of this funding round are now known and South Australia has performed very well, with two large projects to be based here, and a further six significant CRC research modes to operate from South Australia.

In other words, eight of the sixteen grants announced by the Commonwealth, will involve major research being undertaken in South Australia, with additional research funding anticipated to be at least $60 million.

Through the Premier's Science and Research Fund and Government agencies, the State Government has provided in-principle support for two applications to the current round of the Commonwealth ARC Centres of Excellence program which closed on 29 October 2004. This is a highly competitive national process.

The State Government is also supporting the establishment of an International Centre of Excellence in Water Resource Management in Adelaide, through participation by the agencies of DWLBC, SARDI, DFEEST, TAFE SA, and SA Water, and through provision of up to $210 000 per year to match the contributions of university partners. The centre will promote Australia's capabilities of water resource management, bring export opportunities in education, training, research and service provision, and enhance the technical and policy skills base in water resource management. This initiative will have significant economic benefits for Australia and South Australia, and will provide for improved environmental management in South Australia, nationally, the Asia-Pacific region, and globally.

Under the Backing Australia's Ability – Building our Future through Science and Innovation program, the Major National Research Facility program will be replaced by the National Collaborative Research Infrastructure Strategy, with funding to commence in 2005-06. At this stage no formal State Government funding support has been allocated to leverage funds from this program, pending further detail about the eligibility criteria and guidelines. The State Government, through the Science, Technology and Innovation Directorate of DFEEST, is actively collaborating with the Commonwealth as it develops NCRIS.

RESIDENTIAL BREAK AND ENTER COMMUNITY AWARENESS PACKAGE

193. **Mrs PENFOLD:** How much did it cost to develop, produce and initiate the Residential Break and Enter Community Awareness Package including the half-day induction training workshops?

The Hon. M.J. ATKINSON: I have received this advice:

The Residential Break and Enter Awareness Package was funded by the Commonwealth Government at a cost of $40 000. The State Government provided in-kind support of a Senior Project Officer to develop the package. The induction training workshop was done by a Senior Project Officer from the Crime Prevention Unit and is delivered by Crime Prevention Unit staff from within existing resources.

We have run out of kits owing to their popularity. We will allocate about $10 000 from our Justice Strategy Division budget to get more kits produced to enable the program to be provided to more groups.

SCHOOLS, BUS SERVICE

220. **The Hon. G.M. GUNN:** Will the Department's school bus service be maintained at the current level and will the consent of the parents and school councils be sought on any change to this level?

The Hon. J.D. LOMAX-SMITH: The Department's school bus services will continue to be maintained in accordance with the existing School Transport Policy. The Department of Education and Children's Services will continue to monitor and review school bus services across the State to ensure that services being provided continue to be viable in terms of this policy and to achieve the best use of government resources.

School bus route changes are made only after appropriate consultation with both the local community and the District Director, taking into account the impact on the school and future school enrolments.

ECONOMIC DEVELOPMENT BOARD, ATTENDANCES

279. **Mr HAMILTON-SMITH:** How many meetings of the Economic Development Board have Michael moore and Bob Hawke each attended and what is their attendance rate?

The Hon. M.D. RANN: The Department of Trade and Economic Development has advised the following:

The Hon Bob Hawke has attended in person:

- Ten of the Economic Development Board's fifteen formal meetings since its inception; and
- Two of the board's three major planning sessions.

In addition, Mr Hawke has attended both of the board's formal teleconferences, bringing his participation rate to 70 per cent (14 out of 20).

Mr Hawke has provided invaluable services to the State through his Chairing of both the Economic Growth Summit in 2003 and the Summit—One Year On in 2004.

More recently, Mr Hawke spent two days with the EDB in the Upper Spencer Gulf region as part of the board's efforts to further engage with regional South Australia.

The Rt. Hon. Mike Moore attended his first meeting of the board in December 2003, following his appointment in May. During the period May to December, Mr Moore worked from overseas on providing advice relating to public sector reform, trade and other significant matters. Since that time he has attended four of the board's five formal meetings. Over the past 12 months this represents an attendance rate of 80 per cent. Mike Moore also spent significant time in the Upper Spencer Gulf region as part of the board's visit to Whyalla in September. Mr Moore, former head of World Trade Organisation is also in frequent contact with the Premier, the Chairman of the Economic Development Board and with Department officials. His advice and his contacts are invaluable to the board and to our State. Mr Moore has been particularly active in promoting ways of improving the business environment and achieving more efficient government.

LOCAL CRIME PREVENTION

329. **Dr McFETRIDGE:** How does the government assist individual local councils with local crime prevention programs?

The Hon. M.J. ATKINSON: The State Government provides funding to local government for the Regional Crime Prevention Program (R.C.P.P.), one of the main crime prevention initiatives currently operating through the Crime Prevention Unit (C.P.U.) of the South Australian Attorney-General's Department. The R.C.P.P. provides funding to support local councils preventing crime in local communities.

Informed by local crime audits, the program works through regional crime prevention partnerships to identify local crime problems and solutions based on local knowledge and the needs of the communities. The R.C.P.P. has invited local government and other community organisations and agencies to work on regional crime prevention action plans and administer regional crime prevention partnerships.

C.P.U. staff monitor the action plans of the regions and provide some advice and support to the funded regions in the development, implementation and evaluation of regionally based crime prevention

projects. The C.P.U. is working with the Regions to develop an R.C.P.P. Forum in early 2005, which will bring all of the regions together.

Eight regions are funded across the State. They are:

- Adelaide City Council
- Eastern Region (Campbelltown, Norwood, Payneham & St Peters, Prospect, Walkerville and Burnside Councils)
- Northern Region (Gawler, Playford, Salisbury and Tea Tree Gully councils)
- Western Region (Port Adelaide Enfield, Charles Sturt, West Torrens councils)
- Southern Region (Unley, Mitcham, Marion, Holdfast Bay councils)
- Murray Bridge
- Ceduna
- Iron Triangle Region (Whyalla and Port Augusta councils)

City of Adelaide

The City of Adelaide has recently employed a Crime Prevention Officer to administer the program. Projects are likely to be: improving city safety using Crime Prevention Through Environmental Design (C.P.T.E.D.) principles; motor vehicle crime; and alcohol issues.

Eastern Region

The Eastern Region R.C.P.P. works through a Crime Prevention Program Reference Group, with membership from all five local government areas within the Region. The three major projects during the current financial year are aimed at: vehicle theft, Crime Prevention through Environmental Design (C.P.T.E.D.), and Serious Criminal Trespass.

Northern Region

A Northern Region Crime Prevention Committee has developed one substantial project: Early Intervention Approaches to the Misuse of Drugs by Young People. This project will involve enhancing an existing program to intervene through selected schools in the area, commencing in 2005.

Western Region

A committee with representatives from all three Councils will overlook the governance and progress of the Western Region's crime prevention program. Each Council area in the region will conduct one project:

- The City of Charles Sturt (C.C.S.) will be undertaking a Crime Prevention Through Environmental Design – Athol Park Pilot Project.
- The City of Port Adelaide Enfield will contribute its funds towards a Graffiti Management Program.
- The West Torrens: Building a Safer Community Project of the City of West Torrens aims to provide the community with an education and awareness tool to minimise the incidence and effect of break and enter within the City of West Torrens.

Southern Region

The Southern Region has opted to undertake one project that deals with a big issue within their region, entitled Graffiti Management and Prevention—A Regional Approach. The project will be monitored by a Regional Crime Prevention Taskforce, made up of representatives from the councils involved.

Murray Bridge

The Rural City of Murray Bridge employs a part-time Crime Prevention Officer to oversee four projects, with support from local volunteers, addressing: domestic break and enter, graffiti, car theft, and domestic violence.

Ceduna

The Ceduna Region works through an Advisory Group that is auspiced by the Ceduna District Council. The Ceduna Region will recommence the successful Bush Breakaway Program in conjunction with Children, Family & Youth Services, S.A. Police and the Ceduna Area School. The program aims to divert young Aboriginal males from a criminal career.

Iron Triangle Region

The City of Port Augusta and the City of Whyalla share the funding for the Spencer Gulf Region, and will conduct these projects:

- Port Augusta will contribute to its City Safe Program, comprising four projects: Closed Circuit Television Camera Network; Security Bike Patrols; Port Augusta Youth Support Strategy; and the Port Augusta City Council Summer Activities Program.
- Whyalla City Council will fund one program through the R.C.P.P.: 'Hangin at the Yarra' (Whyalla's Youth Activity Centre). The goals of this program are to: develop a youth activity centre to reduce crime; provide a safe, drug and alcohol free space for youth; and promote and encourage collaborative practice amongst youth services.

OFFICE OF VOLUNTEERS, BUDGET

339. **Dr McFETRIDGE:** What is the Office of Volunteer's budge for consultants and contractors in 2004-05 and where are they located?

The Hon. M.D. RANN: I have been advised the Office for Volunteer's budget for consultants and contractors in 2004-05 is $22 000.

To this point, all services required by the Office for Volunteers have been supplied by South Australian based providers.

GST SPENDING

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

Leave granted.

The Hon. M.D. RANN: In the past few days, the federal Treasurer, Peter Costello, has been making pronouncements through the national media that he would like to wind back his agreement with the states about GST revenue and how the states will spend the money. The Treasurer appears to be under the impression that, because the GST is his government's idea, he should also get to determine how it is spent.

GST revenue is money collected from all Australians. It may seem like an old-fashioned idea to Mr Costello, but I believe taxpayers want a say on how their money is spent. In effect, the federal Treasurer is attempting to assert his own will over that of the democratically elected states and territories. An intergovernmental agreement signed in 1999 by all the states and territories did not place any constraints on the way in which GST money was to be spent by the states and territories. That was the whole point of the deal signed by premier John Olsen on behalf of all South Australians.

As it has been explained to me, if any part of that intergovernmental agreement is to be changed, it must be done with the full concurrence of all the states and territories. Mr Costello could unilaterally rebut that intergovernmental agreement, but the effect of it would be to undermine the principles of federalism. Such an approach would clearly end up in the courts, so it would be a brave federal Treasurer who attempted to single-handedly decide what a democratically elected government does with its money. I can assure the people of South Australia that this government will continue to spend their money on their priorities. We will continue to spend our GST money on our hospitals, our schools, our police, child protection, economic development—on priorities that matter to South Australians.

Back in 1999, the federal Treasurer made it clear at the signing of that agreement that he would be reviewing state taxes and putting pressure on the states to cut further taxes as the GST money started to roll in. This government, unlike the previous state government, has been delivering on that. This government announced $360 million worth of tax cuts in our last state budget, and we have just recently announced a further $245 million in land tax cuts; bringing the total to more than $600 million worth of cuts—compare that with the Brown, Olsen or Kerin governments.

Mr Costello also said that he would like to see the revenue spent on improving services. This state has delivered on that, too, with massive increases in spending on schools, hospitals and many other services. What this government will not tolerate, however, is a federal Treasurer trying to impose his personal views on how the states and territories spend taxpayers' dollars.

Members interjecting:

The Hon. M.D. RANN: Members opposite apparently agree with Mr Costello. In that case, why did John Olsen sign up to the deal that says it would be left to the states and territories? The federal government has no mandate for such unilateral action, given statements in the past by the Prime Minister. South Australians know what their spending priorities are. They do not need to be told what their priorities are by Canberra.

EYRE PENINSULA BUSHFIRES

The Hon. P.F. CONLON (Minister for Emergency Services): I seek leave to make a ministerial statement.

Leave granted.

The Hon. P.F. CONLON: I apologise, but I have only just put this together. Yesterday I told the house that commonwealth assistance for bushfire relief was only a small amount of emergency assistance. That was correct. I said—

Members interjecting:

The Hon. P.F. CONLON: Yes; that was correct. Now, you can defend your friends in the commonwealth or you defend the people on the Eyre Peninsula: you cannot do both. I said that it was $300 per household. My staff drew my attention to a press release from Joe Hockey suggesting other amounts; and we have a third stream of information on this. We will determine exactly what the commonwealth assistance was and report back to the house, but I can assure the house it remains a tiny proportion of the assistance provided by the state government.

The SPEAKER: Does the minister have copies of the ministerial statement?

The Hon. P.F. CONLON: No, sir; I am sorry, but I prepared it at late notice. I am discharging my duty to advise the house.

PAPERS TABLED

The following papers were laid on the table:

By the Attorney-General (Hon. M.J. Atkinson)—

Regulations under the following Act—
Supreme Court—Residential Tenancies Tribunal

By the Minister for Urban Development and Planning (Hon. P.L. White)—

Development Act—Development Plan Amendment Report—City of Onkaparinga—Coromandel Valley—Desired Character Plan Amendment—Interim Operation

By the Minister for Agriculture, Food and Fisheries (Hon. R.J. McEwen)—

Alpaca Advisory Group—Report 2003-04
Apiary Industry Advisory Group—Report 2003-04
Cattle Advisory Group—Report 2003-04
Deer Advisory Group—Report 2003-04
Goat Advisory Group—Report 2003-04
Horse Industry Advisory Group—Report 2003-04
Pig Industry Advisory Group—Report 2003-04
Sheep Advisory Group—Report 200-04.

QUESTION TIME

HOSPITALS, REPATRIATION GENERAL

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is directed to the Minister for Health. Was the Chief Executive Officer of the Repatriation General Hospital removed in January this year to create the opportunity to take away the independence of the repat hospital and to merge it into the Southern Adelaide Health Service? A board paper written on 28 January this year (just a month ago) by Dr Paddy Phillips (a board member of the repat hospital) states:

With the departure of our CEO and the appointment of an acting CEO, we have an opportunity to make a way forward.

This confidential board paper goes on to state:

The Repatriation General Hospital should move to appointing a general manager rather than a CEO who will work towards ensuring a smooth transition of RGH into the Southern Adelaide Health Service.

The Hon. L. STEVENS (Minister for Health): The answer to the honourable member's question is no, absolutely no. In relation to the matters just raised by the honourable member, I think that this issue of the future of the Repatriation General Hospital has been said on many occasions. One year ago I made the situation quite clear—

Members interjecting:

The SPEAKER: Order!

The Hon. L. STEVENS: —and the Premier has made it clear. I reiterated the situation again on the radio on Friday, and still the deputy leader persists in scaremongering and mischief making, as is his wont.

LAND TAX

Mr KOUTSANTONIS (West Torrens): Will the Treasurer provide the house with details of the costs of the government's land tax reform package compared with that of the Land Tax Reform Association?

The Hon. I.F. EVANS: On a point of order, that question is hypothetical, I believe, because there is no policy in place. The Land Tax Reform Association's policy is not in place, so the question is hypothetical.

The SPEAKER: Order! The point of order raised is whether the question is hypothetical or not. In the context of standing orders, 'hypothetical' refers to a problem that may be hypothetical. In this context, the question is in order because it does not pose a hypothetical set of circumstances. The Deputy Premier and Treasurer presumably knows what the government's policies are and what the Deputy Premier and Treasurer has calculated with such advice as is available to him as to their costs.

Presumably, the member for West Torrens believes that there is some other information in the public domain of which the Deputy Premier may have knowledge and about which he therefore seeks opinion. It is therefore in order for the Deputy Premier and Treasurer to address at least that part of the question as it relates to government policy if no other part. The honourable Deputy Premier.

The Hon. K.O. FOLEY (Treasurer): The opposition will do anything not to have its policy or that of others scrutinised. I attended a public meeting the other day—

An honourable member interjecting:

The Hon. K.O. FOLEY: The transport policy, he wants from us! We want a land tax policy from the opposition. The other night I attended a rather large gathering at the Norwood Town Hall. Clearly, my love of Port Adelaide made me less popular than I otherwise might have been that night. If I had known that being a Magpie supporter would mean that I got the sort of reception I did, I probably would have asked for a different venue! The truth is that there were critics at that meeting in relation to the government's policy. The interest-

ing thing was the new Liberal candidate for Norwood, who said, 'Land tax is an issue that is easily fixed, and I think we, the Liberal government, will do that.'

The SPEAKER: Order! The Deputy Premier has been asked about government policy, not about the policy of any member of the Liberal Party. He has also been asked about, I think it was, the Land Tax Reform Association. It is not in order for the Deputy Premier to go into debate about what the Liberal Party may or may not have said. Accordingly, if the Deputy Premier strays from the public matter of the inquiry, that will be the end of the matter.

The Hon. K.O. FOLEY: I apologise, because you are correct, sir, as you always are: the Liberal Party's policy on land tax is hypothetical. They do not have one, but the Land Tax Reform Association does. Whilst the Leader of the Opposition has been incapable of articulating a Liberal Party policy, even though Nigel Smart says it is easy—

The SPEAKER: Order! The honourable deputy leader has the call.

HOSPITALS, REPATRIATION GENERAL

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is again to the Minister for Health about the Repatriation General Hospital. Why did the minister inform the chair of the Repatriation General Hospital, Mr Lewis, that she no longer had confidence in the chief executive officer of the hospital? A letter from the former CEO's lawyers, which was sent to the chair of the board in January this year, stated:

> On 2 December 2004 in a private meeting you informed our client, the CEO of the hospital, that the Minister for Health no longer had confidence in him in his role as chief executive officer of the hospital, and that you were obliged to request that our client step down from his position.

The Hon. L. STEVENS (Minister for Health): I did not say that to the chair of the board at all.

The Hon. Dean Brown interjecting:

The Hon. L. STEVENS: I might be able to answer the question if the deputy leader allows me to. I have previously answered questions on this matter. The position of chief executive officer of a health unit is a matter for the board of that health unit. As I have also explained in this house, and certainly to the media, the Repat is facing issues and challenges at the moment in relation to the nature of its patients and the future of that hospital in dealing with that change of patients. Those issues require a strengthening of the management of the hospital. Departmental officers discussed those issues with the board (and I advised the house of this a couple of weeks ago), and the board made a decision to second the former chief executive to another position, and a new person, Mr Chris Overland, has now taken up the position of Acting Chief Executive at the hospital.

The Hon. DEAN BROWN: My question is again to the Minister for Health. If the chair of the repat hospital board has misrepresented the minister's position, which then ultimately led to the dismissal or removal of the CEO of the hospital, will the minister outline to this house exactly what was said between her and the chair of the repat hospital board about whether or not the CEO was therefore incorrectly removed?

The Hon. L. STEVENS: I am very happy to explain to the house. In December, a meeting was held between me, the chair of the repat hospital board, another two board members, I believe, and departmental officers in relation to the financial situation confronting the repat hospital. At that meeting, we discussed the issues they were facing. In particular, we spoke about the need to ensure that there were no service cuts while decisions were occurring with Treasury. That was the upshot of that meeting.

LAND TAX

Ms CICCARELLO (Norwood): Can the Minister for Multicultural Affairs inform the house what the government is doing to help relieve the land tax burden on ethnic community groups?

The Hon. M.J. ATKINSON (Minister for Multicultural Affairs): Yes, I can. Land tax and ethnic communities were discussed at a meeting of the multicultural advisory body in November 2004. Since most members opposite do not know which body I am referring to, I will tell them: it is the South Australian Multicultural and Ethnic Affairs Commission. I am pleased to inform the house that the government has heard these and other pleas from our ethnic communities and, in line with the Premier's recent announcement on land tax, the government has said that it will provide grants to ethnic community organisations. For the first time, from next financial year, annual grants will be available to ethnic community organisations to help them with land tax payments. The government will give—

Members interjecting:

The Hon. M.J. ATKINSON: The government will give $260 000 a year to cover the cost of land tax for the state's—

Mrs Redmond interjecting:

The Hon. M.J. ATKINSON: The member for Heysen says that we are absolute racists.

Mr Meier interjecting:

The Hon. M.J. ATKINSON: And the member for Goyder agrees with her that it is racist to give grants to ethnic community organisations to pay their land tax and we should be ashamed of doing it.

Members interjecting:

The Hon. M.J. ATKINSON: I thought that these days the parliamentary Liberal Party was meeting both houses together, because the measure we are implementing is one that was advocated by—wait for it—the Hon. J.F. Stefani. He did not think it was racist. We are giving $260 000 a year to culturally diverse community clubs.

Members interjecting:

The Hon. M.J. ATKINSON: I wish the member for Goyder—and the Leader of the Opposition entered into the same folly—would read the statutory provisions on land tax because that way he would be able to answer his own question about sporting clubs.

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. ATKINSON: This scheme of grants effectively wipes out land tax for these organisations, and on the record the opposition is opposed to that. The opposition's view is either we abolish land tax—

Mr Venning interjecting:

The Hon. M.J. ATKINSON: The member for Schubert says we should abolish land tax. Is that the policy of the opposition?

Members interjecting:

The SPEAKER: Order!

The Hon. R.G. KERIN: Point of order, sir: displays are out of order. The size of the Attorney's ears is irrelevant.

The Hon. K.O. Foley: But Nigel Smart said it would be easy to fix; but they can't deal with it.

The SPEAKER: Order! And the size of the Deputy Premier's mouth is also irrelevant. The honourable Attorney-General.

The Hon. M.J. ATKINSON: The member for Schubert just advocated the abolition of land tax and the silence from the opposition benches was deafening.

The Hon. K.O. Foley: It is easy to fix—abolish it!

The SPEAKER: Order!

The Hon. M.J. ATKINSON: The opposition says that if we are going to wipe out land tax for ethnic community organisations we have to wipe it out for everyone in South Australia otherwise it is racist. I do not quite follow that reasoning. Our grants scheme will allow ethnic clubs to maintain and build on the important role they already play in their communities. This follows the $245 million relief package for 121 000 South Australians who would be liable for land tax bills from 1 July this year. The package eliminated land tax for 44 000 taxpayers—

Members interjecting:

The SPEAKER: Order, the member for Davenport and the member for Goyder!

The Hon. M.J. ATKINSON: Mr Speaker, I am merely giving information to the house; I wish it would be better received on the other side. It provides sizeable cuts for another 77 000 taxpayers and will see more than $20 million returned to taxpayers (including ethnic community organisations) as rebates in the coming months. I am glad that the member for Davenport was good enough to counsel the member for Goyder about his outburst against this measure. Counselling was in order; I wish he would also counsel his local member of parliament.

The government has responded to the effect of the recent property boom on investment properties, but it is also important to deal with the effect on ethnic community organisations. Our multicultural community clubs provide many important services to the public such as support for the aged and youth, and help for recent arrivals, as well as maintaining the many diverse cultural traditions that make up our state. Very few, if any, of the members of the opposition I see before me attend ethnic community organisation functions, with the exception of the members for Bragg and Morialta, who I wish would enjoy each other's company more.

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. ATKINSON: Many of these clubs—

The SPEAKER: Order! Cameras will be removed from the gallery if they do not focus on the member on their feet. If any of the footage which may have been filmed in course of contravention of the standing orders goes to air the organisation in question will be regarded by the chair as in contempt of the parliament. The Attorney-General has the call.

The Hon. M.J. ATKINSON: Many of these clubs own land, and the spike in land tax is a burden they do not need. Most of them bought the land many years ago and built their club rooms with volunteer labour. I am pleased that the Premier and Treasurer are supporting our clubs with this relief. I know that the members for Norwood and West Torrens have also worked hard to help these clubs, along with the Hon. J.F. Stefani, and it is a pity he is departing parliament. Many clubs represent ageing communities and have limited ability to raise funds. The relief from land tax will allow these clubs to work on delivering results for their communities rather than raise funds to pay the spike in land tax. This grants program will mean that ethnic community clubs will receive long overdue, but—and I hope the Leader of the Opposition and the member for Goyder are listening to this information—similar acknowledgment of their role in our local communities as Returned Services League clubs, sporting clubs and charitable clubs. I will soon write to organisations explaining how to apply for this land tax relief and, when I do, I hope we will by then have the support of the members for Heysen and Goyder.

HOSPITALS, REPATRIATION GENERAL

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question again is to the Minister for Health. If the Repatriation General Hospital is not to be amalgamated with the Southern Health Region, why was there a secret meeting with the RSL with that very proposal just two days before Christmas—

Members interjecting:

The Hon. DEAN BROWN: I will repeat that: why was there a secret meeting with the RSL with that very proposal just two days before Christmas and a board motion supporting the amalgamation at its last meeting?

The SPEAKER: Order! The honourable deputy leader knows that the use of pejorative terminology in asking questions is not orderly since it seeks to create an impression. It may be in debate, but the inquiry should be directly about obtaining factual information. The honourable deputy leader well knows what I am talking about. The honourable Minister for Health, without the pejoratives.

The Hon. L. STEVENS (Minister for Health): Thank you very much, sir. I have no knowledge of secret meetings. I guess it is because they were secret. I have absolutely no knowledge of any secret meeting with the RSL. But I am sure that meetings occur with management in the RSL on a range of issues with the Repat. But just let us get back to the issue at hand. I want to make it clear to this house, as I have done on many occasions, that the government's position on the Repat is absolutely crystal clear. It has not changed from this time last year when I put it on the record in this house and broadcast it through the media. This government will never ever take the repat hospital from the veterans. It might be what the deputy leader has in mind; it might be something he wants to do, but this government's position is quite clear.

The Hon. Dean Brown interjecting:

The Hon. L. STEVENS: Of course, I see the deputy leader waving around a board paper.

Members interjecting:

The Hon. L. STEVENS: Mr Speaker, let me just go on. A few days after the last board meeting of the Repat Board, I was phoned—in fact, it was the day after questions were raised in this house by the deputy leader—by the chair of the board who wanted to show me a motion that had been passed in the board meeting. He then told me what that motion was. It was along the lines of what the deputy leader has said. But I reiterated to him then and there that there was absolutely no change in the government's position, and I wrote to the board that day to make sure that they were very clear that this was the government's position. So, the deputy leader sits there with a smarmy little smile on his face—

The Hon. Dean Brown interjecting:

The SPEAKER: Order!

The Hon. L. STEVENS: —but the government's position has not changed.

OZJET

Ms RANKINE (Wright): My question is to the Premier. Given media coverage in Melbourne about the benefits to Victoria from the establishment of the new airline, OzJet, can the Premier inform the house what the OzJet agreement negotiated by the government will mean for South Australia?

An honourable member interjecting:

The Hon. M.D. RANN (Premier): What was that? No, we will never let the Liberals take the Repat away from the diggers, ever. It might be your policy, it is not ours. On 22 February, the head of OzJet flew to Adelaide in one of the airline's aircraft—

The Hon. Dean Brown interjecting:

The SPEAKER: Order, the deputy leader for the second time!

The Hon. L. Stevens interjecting:

The SPEAKER: Order! The Minister for Health having answered the question needs provide no further information to the chamber. The Premier has the call.

The Hon. M.D. RANN: On 22 February the head of OzJet flew to Adelaide from London in one of the airline's aircraft to announce that the company would be setting up its base of operations here in Adelaide. OzJet is owned by the owner of the Formula 1 Minardi Team, Paul Stoddard, and will provide domestic aviation services at business class standard at competitive rates. This announcement was the outcome of almost a year of discussions between the company and the government. I understand that they also spoke to at least one other government. Although a modest support package is involved, OzJet's decision is further confirmation of independent reports by such groups as the US-based KPMG and the recent report by the Australian Industry Group that South Australia is the most competitive place in which to invest and do business in Australia.

Adelaide was as the base for OzJet because of South Australia's competitive business climate, including lower set up and operating costs, a skilled dynamic workforce, lowest rates of industrial disputation in mainland Australia, and stable workforce with low turnover. These are just some of the main reasons why the commonwealth government should choose Adelaide and Osborne as the site for the $6 billion air warfare destroyer contract.

OzJet expects to commence services from Adelaide by the end of August. There will be nearly 300 new jobs in the first three years of operation and OzJet will base the following functions in Adelaide—just to clear it up for the Victorian press: head office, back office and all business support functions, including legal and finance, customer and contact centre, PR and marketing, a major component of its overall crew roster, line engineering, operations management and fleet planning, airport management, cabin crew training, and IT and communications. This is a far cry from some of the incorrect and misleading media reports, as well as claims made across the border, that Victoria is the winner in this deal. Mr Hans van Pelt is OzJet's Chief Executive, who wrote to me yesterday affirming that OzJet will be well and truly based in South Australia, and he stressed that media reports suggesting otherwise are inaccurate.

The airline will operate services from Adelaide airport and OzJet is in negotiations with Adelaide Airport Limited to finalise check-in and departure gate arrangements. OzJet will initially use Boeing 737-200s, and in time move to a fleet of BAE 146s, the so-called whisper jet. Now that OzJet is committed to base its operations in Adelaide, the government will look at ways of supporting the growth of this exciting venture. The state government has been in discussions with OzJet regarding a modest package of support that may include payroll tax assistance or joint marketing. These arrangements have not been finalised and negotiations are still occurring. Details of any assistance approved by the government will be publicly released upon contract execution, consistent with the government's disclosure policies.

Mr HAMILTON-SMITH (Waite): I have a supplementary question. What is the total financial value provided for the OzJet industry investment attraction; and how does the investment sit with the agreement the government signed with all other states not to provide such incentives to attract industry from one state to the other?

The Hon. M.D. RANN: So, the honourable member is clearly the Frank Spencer of the parliament: some parliaments do have them. I just said that what we were doing was still in negotiation. The honourable member is the Frank Spencer of the opposition!

PORT RIVER, BRIDGES

The Hon. R.G. KERIN (Leader of the Opposition): When did the Minister for Infrastructure first become aware that naval ships would not enter the Inner Harbor at Port Adelaide? Yesterday in the house the minister said:

> We have been told in the last week or so in a letter from the Navy that despite our commitment to opening bridges the Navy is not likely to allow ships to the Inner Harbor.

The Hon. P.F. CONLON (Minister for Infrastructure): I repeat what I told the Leader of the Opposition yesterday. The first unequivocal communication from the Navy was the letter dated 14 February, to which I referred. The strongest indication in November 2003 that they would give was that, in certain security situations, this could make the inner wharves in Port Adelaide less suitable for Navy ship visits. We have spent a lot of time trying to get the Navy to be unequivocal. A letter of 14 February states:

> Recent town house construction on the inner wharves. . . means they no longer offer the more stringent security arrangements required for visiting warships. RAN vessels visiting Port Adelaide in the future will normally berth at commercial wharves downstream of the proposed new bridge, or at the Outer Harbor berths, which better suit Navy requirements.

That is the first unequivocal indication of the Navy's position. We now understand, unequivocally, the position of the Navy. We have asked them to reconsider that because it means a lot to the people of Port Adelaide to have continued naval visits. We also know the position of the member for Schubert. What we do not know is the position of the Leader of the Opposition, because he wrote to me to tell me what his position was. He said:

> The previous Liberal government had committed to an opening bridge, which was crucial for the redevelopment and prosperity of the Port Adelaide area. Tourism, business and the spirit of Port Adelaide need an opening bridge and Labor must deliver.

That is what he said. But in a letter to me he states:

> The opposition would support any moves that may identify a superior model. Indeed, it would be irresponsible for your government to make a decision based on outdated information.

I have said what we are doing. I have told the people of Port Adelaide what we want to happen. We have communicated

with the commonwealth and said, 'Can you allow the visit of the warships?' Now, will the Leader of the Opposition please say whether he still supports this proposal; whether he thinks we should reconsider, according to his letter? Which of his comments is accurate? The opposition cannot hide forever. Members opposite have to present themselves—God forbid!—as an alternative government some time soon. Could they please say what they now consider should happen? Does the Leader of the Opposition still say, 'It would be irresponsible for your government to make a decision based on outdated information.'? We have been very clear about what we want to achieve. We have written to the commonwealth. Perhaps members opposite could assist with their friends in the commonwealth. More importantly, perhaps they could tell the people of Port Adelaide what they want to happen, not sit there trying to snipe at whatever the outcome.

DEFENCE SHIPBUILDING CONTRACTS

Mr O'BRIEN (Napier): Will the Minister for Urban Development and Planning explain how the planning system is supporting this state's bid to win the defence shipbuilding contracts being awarded by the commonwealth government?

The Hon. P.L. WHITE (Minister for Urban Development and Planning): The $6 billion commonwealth naval shipbuilding project is a key step to the economic future of this state, because not only will it generate jobs for South Australians but also it will build our already existing capabilities in defence electronics and weapons systems and provide further opportunities for us to excel in those areas. Recent decisions, facilitated through the state's planning system and approved by the government, will help to put South Australia ahead of Victoria in the bid to win this important contract.

In July last year, in my role as Minister for Urban Development and Planning, I initiated zoning changes to enable the collocation of naval ship building and defence-related support industries on land adjacent to the Port River at Osborne. South Australia does have a distinct location advantage over Victoria in the Osborne site because of its size and geographic separation from residential areas. The necessary amendments to the development plan were gazetted last month and will enable any development works associated with the project to commence with certainty and in a timely manner.

The land available at Osborne, combined with the policy environments supportive of the needs of those with the important task of building the Royal Australian Navy's air warfare destroyers, should provide the commonwealth now with the confidence it needs to know that, if it awards the contract to South Australia, the South Australian planning system has been primed to support its timely construction.

PORT RIVER, BRIDGES

The Hon. R.G. KERIN (Leader of the Opposition): Will the Minister for Transport confirm that the South Australian government agreed to the National Maritime Transport Security Agreement in May 2003, which has the effect of preventing naval ships entering Inner Harbor at Port Adelaide regardless what type of bridges are built?

The Hon. P.F. CONLON (Minister for Infrastructure): Just so that the opposition understands it, here is what we were told—

Members interjecting:

The Hon. P.F. CONLON: No, no. What we do not understand is what you would do. Fortunately, you will never get the opportunity. Understand this; this is what we were told in November last year was the outcome of the maritime security arrangements. Here is what we were told. It said this—

Members interjecting:

The Hon. P.F. CONLON: Now, listen. Just listen. You will understand if you listen. Well, you probably will not, but I will go slowly.

The Hon. R.G. Kerin interjecting:

The Hon. P.F. CONLON: November 2003; 13 November, after—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: November 2003. If you listen you will understand. You may. There is some chance. You asked a question—

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. CONLON: —about maritime security. Here is what the Navy said that meant. This is Rear Admiral Moffitt. You would think that we would be able to rely on the views of Rear Admiral Moffitt, who said:

> The introduction of added port security measures under the ISPS Code, plus Navy's own force protection requirements, has resulted in Navy reassessing its berthing requirements with preference given to berths where the public can be controlled or excluded if necessary. In certain security situations this could make the inner wharfs in Port Adelaide less suitable for Navy ship visits.

That is what we were told the security arrangements meant. We did try to clarify with the Navy to get a clear position. We had received no unequivocal position until 14 February this year; and if there is an unequivocal position it was not told to me. It was not told to me. This was the first time that we had an unequivocal position on it. Very rarely would we take the advice of the Leader of the Opposition, but when he says to us that the 'opposition would support any moves that may identify a superior model', perhaps he could tell the people of Port Adelaide what that means.

But when the leader says to us, 'Indeed, it would be irresponsible for your government to make a decision based on outdated information,' for once you would have to agree with him. Let us make sure that the opposition understands this: in November 2003, after the arrangement about which the leader is talking, we were advised that it may make it less suitable. On 14 February this year we were given unequivocal advice that it does not want to berth with buildings there—unequivocal advice for the first time.

The Hon. R.G. Kerin interjecting:

The Hon. P.F. CONLON: It is an unequivocal indication. You know when you turn an indicator on to go right that is an unequivocal indication that you are going right, and what you generally do is go right. This is an unequivocal indication from the Navy. I understand that the Leader of the Opposition is a nice bloke but who is well known to struggle, so I have tried to make it as clear as possible to him, and I hope he now understands it.

Mr BRINDAL: On a point of order, the Leader of the House's Business was quite clearly quoting from either a letter or a document and I ask, in accordance with your previous ruling, that that complete document be tabled.

The SPEAKER: Order! Did the Minister for Infrastructure quote from a document provided to the minister from the records of the government's files?

The Hon. P.F. CONLON: I quoted a letter from the Leader of the Opposition. If he is not a sufficiently good filer to keep his own letters, I can provide him with a copy.

Mr BRINDAL: On a point of order, I think the record will show that the minister also quoted from a document from a naval or military official, and that is the one that needs to be tabled.

The Hon. P.F. CONLON: I am more than happy to provide people with it, because we are an open, frank government and one that does state our position on things, unlike the opposition.

The SPEAKER: Order!

The Hon. DEAN BROWN: On a point of order—

The SPEAKER: Order! The deputy leader will resume his seat and allow the simple mind of the Speaker to deal with one point of order at a time so that the simple minds of members may understand what the Speaker refers to when he responds to those inquiries. On behalf of members, I thank the Minister for Infrastructure for providing that item of correspondence. The deputy leader had a point of order?

The Hon. DEAN BROWN: I just wanted to make sure that, rather than just providing the correspondence, it will be formally tabled.

The SPEAKER: It is so ordered.

EYRE PENINSULA BUSHFIRES

The Hon. R.G. KERIN (Leader of the Opposition): Will the Minister for Emergency Services confirm that, under the natural disaster relief arrangements agreed to by the federal government as part of its emergency response to the Eyre Peninsula bushfires, the federal government has offered to reimburse the state government 50¢ in every dollar paid to victims for personal hardship and distress?

The Hon. P.F. CONLON (Minister for Emergency Services): I am unaware of any offer of that kind, but I will check for the honourable member. I am absolutely unaware of that. If you are telling me that your friends in the commonwealth are offering us $3 million, I am very pleased.

The SPEAKER: Order! The honourable Minister for Infrastructure may be assured that I am telling him nothing, but the inquiry from the opposition may imply other things, or anything.

The Hon. R.G. KERIN: It is like asking questions into a vacuum here. Will the Minister for Emergency Services expand on his statement to the house yesterday with reference to the Eyre Peninsula bushfires that the federal government had only given $300 to every household? The opposition understands that the Australian government's ex gratia payment arrangements for those whose homes were destroyed by the fire were $1 000 per eligible adult and $400 per eligible child.

The Hon. P.F. CONLON: The Leader of the Opposition has actually picked up on an issue that I referred to before question time started, and from memory I did answer that question. I can say that the press release from Joe Hockey suggests a different amount. At subsequent meetings on Eyre Peninsula (and my chief of staff was over there) we received advice with some qualification on that. What I will do for the honourable member, as I said at the start of question time, is find out exactly what that level of assistance was and how much was paid.

The Leader of the Opposition is obviously so much more concerned for the reputation of the federal Liberal Party than for the benefit of the people of Eyre Peninsula. I can guarantee him that the assistance from the state government was massive by comparison to the small amount of emergency assistance from the federal government. If he is telling me that his colleagues have now offered finally to match the $6 million we have put in, I am very pleased with that. If he is telling me that, I will give him a pat on the back for it, because all we want is for his colleagues to match the assistance that the state government has given to the people of Eyre Peninsula. If he can achieve it, I will be the first to get out and pat him on the back, because we care about those people on Eyre Peninsula.

The Hon. R.G. KERIN: I have a supplementary question. Which minister within the state government is responsible for negotiating with the federal government on the package for the Eyre Peninsula bushfires?

The Hon. P.F. CONLON: I understand that the Premier has communicated on several occasions with the Prime Minister, Mr John Howard, asking for a number of things in the early days, such as matching the assistance provided by the state government. So that the public of South Australia understand this, because the Leader of the Opposition does not and refuses to: what happened is we were on site as quickly as humanly possible after the bushfires, and we contributed $6 million. The Premier made a number of approaches to John Howard to assist (and I am sure the Premier will tell me what has happened in relation to those approaches). One was to ask for matching assistance and the other was to waive the bill we are being charged—

The Hon. D.C. Kotz interjecting:

The Hon. P.F. CONLON: The member for Newland does not want this on the record, and I can understand why. The other thing we did was to ask the federal government to waive the bill we are being charged by the Army for using its equipment to assist the people of Eyre Peninsula. What I will do for the member is to get him a full assessment of our assistance; we are putting that together at present. If the Leader of the Opposition really wants us to go down the path of talking about what your people have done, we will do so. I can tell the Leader of the Opposition what the local federal member did: he popped in at Tunarama. If he wants that on the record, I will put it on the record. I can tell him how long it took a federal minister to get there: a very long time.

If members in this house are proposing that the response of the federal government has been superior to the response of the state government, they are betraying the people of Eyre Peninsula: it is as simple as that.

Ms Chapman interjecting:

The SPEAKER: Order, the member for Giles! I apologise to the member for Giles; I thought she was interjecting. There was an echo. The member for Bragg should not attempt to encourage the Minister for Infrastructure in his role as Minister for Emergency Services to go into debate on the matter by way of interjecting whilst he is speaking. Accordingly, I warn her that such outbursts are extremely disorderly. I apologise to the member for Giles for any inadvertent embarrassment my calling her may have caused. The member for Giles has the call to ask a question.

Ms BREUER (Giles): Thank you, Mr Speaker. Can the Minister for Administrative Services update the house on the ways in which SA Water and Service SA are providing assistance to Eyre Peninsula residence whose property was damaged by the recent bushfires?

Members interjecting:

The SPEAKER: Order! The Minister for Administrative Services.

The Hon. M.J. WRIGHT (Minister for Administrative Services): I thank the member for Giles for her very important question. Members may be aware that I recently approved SA Water waiving water charges for residents whose property was damaged by the Eyre Peninsula bushfires. I also had the opportunity to personally present government computers to five families who lost their properties in the tragic bushfires. Waiving water charges and providing no-cost computers are further examples of the way in which the government is helping the Eyre Peninsula community get back on its feet.

I advise the house that SA Water has indicated that the properties of about 235 of its customers were affected by the fires. SA Water has written to these customers to advise them that they will be credited with both access charges and water use charges for the period between August 2004 and February 2005. This follows SA Water's work in quickly repairing infrastructure damaged by the fire and by providing emergency supplies in the period immediately after the bushfires.

In relation to providing computers to families who have been affected by the fires, I can update the house by advising that requests have been received for another 15 personal computers which will be distributed from the Service SA centre in Port Lincoln. As I indicated earlier in my answer, I recently had the opportunity to present five computers to fire-affected families at the office of Service SA in Port Lincoln, and I would like to acknowledge that the member for Flinders was also present at that presentation, as was Vince Monterola and local business identities Ron and Janet Forster. Vince personally thanked me for the role undertaken by Service SA as their local office provided a focal point for the delivery of timely government services.

I can report to the house the very positive feedback that I received from the local community, both from that particular ceremony and also at the races later that day, about the wonderful job that Vince has undertaken on behalf of the government. There are a number of ways that the government has assisted fire-affected families. I will not go through all those, but I will mention a few of the roles that have been undertaken by Service SA. They included liaising with interstate birth, death and marriage authorities for a reciprocal arrangement to waive fees for replacement documents on a case by case basis for fire-affected people, and providing face to face accessibility for farmers who, in some cases, needed up to 15 survey plans of their properties to work out boundaries to re-establish fencing (DAIS has provided these plans free of charge). They also included the waiving of fees for a range of replacement transactions such as birth or marriage certificates, driver's licences, replacement numberplates, boat licences and commercial fishing licences. They have also organised for the German Consul to visit Port Lincoln to meet two fire-affected people who required replacement overseas documents. These are just a few examples of activities undertaken by Service SA. The government, through agencies such as SA Water and Service SA, is continuing to assist the victims of these horrific fires to get back on their feet and will continue to do so.

PLEA BARGAINING

Ms CHAPMAN (Bragg): Can the Attorney-General assure the house that, before his appointment, the newly appointed DPP, Stephen Pallaras QC, was not sounded out on his attitude to the recommendations of the Solicitor-General on the new plea bargaining arrangements? In the report of the Solicitor-General, Chris Kourakis QC, dated 7 April 2004, concerning the Nemer case and plea bargaining Mr Kourakis recommended that the holder of the position of the Crown Counsel 'be available to advise the Attorney-General. . . on plea bargaining issues.' The then acting DPP, Wendy Abraham QC, and her office strongly opposed this proposal. The question whether Mr Pallaras was sounded out by the Attorney-General, or anyone, on behalf of the government is therefore a matter of public importance.

The Hon. M.J. ATKINSON (Attorney-General): Mr Pallaras was not sounded out by me about Mr Kourakis's recommendations. As far as I know he was not sounded out by any member of the panel that recommended him as DPP.

The Hon. W.A. Matthew: By anyone else on your behalf?

The SPEAKER: Order, member for Bright, for the last time!

The Hon. M.J. ATKINSON: I am surprised by the lengths to which the Liberal Party will go to try to protect the original sentence in the Nemer case, and I wonder why the Liberal Party rallies so much to the cause of Paul Habib Nemer—in particular, the member for Waite. I wonder why.

Members interjecting:

Mr BRINDAL: Point of order, Mr Speaker—

The Hon. M.J. ATKINSON: Mr Speaker, on any sober assessment Stephen Pallaras QC was the best person for the job.

Mr BRINDAL: On a point of order, Mr Speaker: in answering a question standing orders require the minister to address the substance of the question and not to inflame the house with debate. I put to you, Mr Speaker, that is exactly what the Attorney-General is doing.

The SPEAKER: Then perchance that be the case, the members of the opposition and other honourable members are to be commended for not responding.

EYRE PENINSULA BUSHFIRES

The Hon. R.G. KERIN (Leader of the Opposition): Did the Premier receive a letter from acting prime minister John Anderson dated 19 January noting that immediate assistance to the South Australian government is available for the partial reimbursement of personal hardship and distress payments under the natural disaster relief arrangements?

The Hon. M.D. RANN (Premier): I will have to check on that. My message to the Leader of the Opposition is this—

Members interjecting:

The Hon. M.D. RANN: Do you want me to answer the question? Does Nigel answer the questions on your tax?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I know that the opposition has based its entire strategy on Colin Barnett's performance, but never mind. The fact of the matter is that we, here, want to do everything to help the people of the West Coast. We are simply saying that, rather than playing politics and defending their federal colleagues, members opposite should join us in doing this in a bipartisan way.

The Hon. R.G. KERIN: I have a supplementary question. Does the Premier deny that the federal government has offered to pay 50 per cent of the bill on the West Coast?

Members interjecting:

The SPEAKER: Order!

The Hon. M.D. RANN: I will check that, but I am not aware of that. I cannot recall an offer of $3 million. I am not quite sure where the honourable member gets that from. Instead of defending their federal colleagues, members opposite should get behind South Australia. Nigel Smart says that he knows the answer to land tax, but apparently you do not.

LEGAL SERVICES COMMISSION

Mrs REDMOND (Heysen): My question is to the Attorney-General. Is the statutory independence enjoyed by the Legal Services Commission the same as the statutory independence enjoyed by the Director of Public Prosecutions? If not, in what way is it different? Yesterday in response to a question, the Attorney-General stated:

> It should be noted that the Legal Services Commission is statutorily independent in its operation and its discretion to grant legal aid. . . The Legal Services Commission does not answer to me as Attorney-General, or indeed any other member of parliament about individual cases. . .

Section 9 of the Director of Public Prosecutions Act 1991 provides:

> Subject to this section, the Director is entirely independent of direction or control by the Crown or any Minister or officer of the Crown.

The Hon. M.J. ATKINSON (Attorney-General): It would have been nice if the member for Heysen had read the rest of the section, because then she would have been able to answer her question. It says 'subject to this section'. The section goes on to allow the Attorney-General to direct the Director of Public Prosecutions about policies and individual matters. The government's contention that the Attorney-General could do that was upheld not just by the Court of Criminal Appeal but also by the High Court. The member for Heysen is on the record as supporting the original sentence imposed on Paul Habib Nemer by Justice Sulan. The member for Heysen is on the record here in parliament as opposing the appeal against Paul Habib Nemer's sentence. I do not know what it is about Paul Habib Nemer that the Liberal Party has to rally to him so much. I suspect that I might know the answer, but you might have to look at the six monthly reports of a certain federal government body. The answer I gave yesterday about the Legal Services Commission is entirely correct. In fact, the member for Heysen does not even quibble with it, and if her question were to be honest she could have read out the entire section because the rest of the section would have answered her question.

The SPEAKER: Order! The Attorney-General should not reflect upon other honourable members' integrity or honesty, or their motives.

OVERWAY BRIDGE, GAWLER

The Hon. M.R. BUCKBY (Light): My question is to the Minister for Transport. Will the minister advise what action is being taken to ensure that the Overway Bridge in Gawler is maintained at an acceptable safety level? I recently wrote to the minister about this issue and received a response saying:

> . . . some minor defects are still being fixed and the lighting is yet to be turned on, but essentially the project is complete.

The minister further stated:

> . . . the installation of a guard fence on the inside of the curve on the southern side is considered to be of lower priority when compared to many other projects within the state.

In the latest edition of *The Bunyip* newspaper it includes the following statement attributed to the minister:

> Discussions are continuing between Gawler Council and the Department of Transport on future upgrades to the southern side of the bridge, including the installation of guard fencing and possibly improvements to pedestrian facilities.

What is happening?

The Hon. P.L. WHITE (Minister for Transport): There was a fair amount of noise while the member was reading those quotes so I will review what he has put forward and I will check up on the progress of that particular project for him.

GRANTS FOR SENIORS

Mr KOUTSANTONIS (West Torrens): My question is to the Minister for Families and Communities. What is the state government doing to support seniors groups, community clubs, and volunteer and self-help groups that cater for seniors?

The Hon. J.W. WEATHERILL (Minister for Families and Communities): I thank the honourable member for his question and I note his ongoing interest in questions about the ageing members of our community. Indeed, he was in our office the other day advocating for a couple of his constituents around a Retirement Villages Act question. This Labor government is the natural party for the support of older South Australians. I am pleased to say that applications have opened for this year's Grants for Seniors and Positive Ageing Grants. There is a total of $385 000 available for seniors groups and community volunteer and self-help groups. It falls into three tranches: the first is $50 000 which will be granted to the Council on the Ageing national Seniors for their annual 'Every Generation' program; the second is the Positive Ageing Grants, which is a program of grants to help older South Australians to remain socially connected, and fully active and involved in community life; and the third part is the Grants for Seniors program. Perhaps the member for Stuart could put in for this. This is limited to a maximum of $2 500, mainly provided to fund the purchase of equipment and other goods that may help older people participate in a wide range of community activities. These smaller grants average around $700 and often are used for things like equipment around sporting and other events.

We often see images of older people in our community as being a drain on our society. Indeed, it is exactly the opposite. You will find that the volunteers for Meals on Wheels are older people, as are the volunteers in our schools helping kids learn to read. They are wonderful contributors in our community and we are supporting them; this government is right behind them. We will be, and are, the natural party for the support of older South Australians.

LAND TAX

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

Leave granted.

Mr MEIER: My personal explanation relates to my interjections on the Attorney-General during his answer to a question from the member for Norwood. My understanding was that all clubs, halls and not-for-profit organisations were

already exempt from paying land tax, be they ethnic or non-ethnic. Therefore, I was of the belief that what could be described as private for profit organisations were being referred to by the Attorney-General. If I was incorrect in describing the government's new policy as racist because of my misunderstanding, I apologise unreservedly and withdraw my comments. I trust that no discrimination between any organisation occurs with respect to land tax relief but, rather, that a fair and reduced land tax scheme is introduced.

The Hon. M.J. Atkinson interjecting:

The SPEAKER: Order! The chair points out to the house that personal explanations of that nature are out of order, in two ways. In the first instance, honourable members are out of order to interject. In the second instance, of course, may I say with respect to that, responses to interjections are equally out of order. Moreover, the honourable member, therefore, cannot seek to correct the record of a disorderly remark and should not, at the conclusion of any orderly and appropriate explanation, conclude by putting a point in debate. We would all do better to observe the standing orders and be less likely, therefore, to embarrass ourselves.

GRIEVANCE DEBATE

HOSPITALS, REPATRIATION GENERAL

The Hon. DEAN BROWN (Deputy Leader of the Opposition): I wish to grieve this afternoon on the repat hospital, which is, of course, a key hospital. It has always been there for the veterans of this state. It is a specialist veterans' hospital and it has served those veterans very well—because they served our country extremely well indeed. Under this Rann Labor government there have been three attempts to remove the independence of the repat hospital and put it under either the Flinders Medical Centre or the Southern Adelaide Health Service. The first attempt was to amalgamate it with the Flinders hospital and the last two were attempts to make sure that its independence was removed and to put it into the southern region.

I highlight to the house that I have a letter which was written on 27 December last year which talks about a meeting that took place on 23 December, just two days before Christmas. It was a meeting between various medical staff at the hospital, as representatives of that hospital, and the Executive Director of the RSL. That letter highlights the fact that a proposal was put by the staff from the hospital that there be an amalgamation of the Repat General Hospital, together with the southern region, and so the repat hospital would lose its independence and become no more than a small offspring of the much larger organisation, which covers, of course, the Flinders Medical Centre, which is huge, and the Noarlunga Health Service.

I highlight the fact that the first move on this was made back in the middle of 2002, shortly after this government came to office. Then there was a move through the generational health review, which recommended setting up one southern region and that that region include the repat hospital. The government went a through process of consultation. The veterans of this state clearly rejected that proposal: there was a unanimous vote of the RSL in the state to reject that proposal. But we now find that, two days before Christmas, another proposal was put forward by the staff trying to again amalgamate the repat hospital into the southern region.

I have a copy of that letter, which is from the chair of the Medical Staff Association to Mr John Spencer, Executive Director of the RSL. The letter states:

> You spoke of a lack of trust by many veterans of the Department of Health and the minister.

They have every reason not to trust the minister, because time after time they see this Labor government trying to put up this proposal to amalgamate the repat hospital with the southern region. Then on 28 January a board paper was prepared, which states:

> Confidential: for board members only. Board paper prepared by Professor Paddy Phillips, 28 January 2005.

This detailed paper sets out a proposal over five pages. The final proposal states:

> Therefore, I put the following motion to the board. I propose that the RGH board supports RGH joining the Southern Adelaide Health Service.

What could be more blunt and more open than to say that they want to amalgamate the RGH and take away its independence? That motion was passed by the board at its February meeting. We have two cases of actual documentation that show, once again, that this Rann government is carrying out a secret campaign to try to bring the repat hospital under the southern region, against the wishes of the veterans of this state. In so doing, they have clearly manipulated the CEO's position. According to one of the letters I have, the minister actually told the chair of the board that she no longer had any confidence in the CEO; and that needs to be explained by the minister to this house. If that is not the case, then it suggests the chair of the board of the repat hospital has quite improperly replaced the CEO on the basis that the minister did not have any confidence in the CEO. The government has a great deal of explaining to do.

DISABILITY SUPPORT PENSION

Ms THOMPSON (Reynell): I was disturbed recently to read a media release by Senator Penny Wong, the shadow minister for employment and work force participation, relating to commonwealth government proposals to cut the disability support pension. The media release states:

> Last night [17 February] the government confirmed that it will reintroduce its crude disability support pension legislation which cuts access to the DSP. The admission came during estimates hearings with the Department of Employment and Workplace Relations. . . Estimates hearings also revealed that the heralded DSP pilot program, which aimed to investigate the move from DSP to work using Job Network, had a massive cost blowout. The original funding request for the pilot was $300 000. The final cost was $1 300 000. 'This means that the cost per person commencing the program was around six times more than is spent on average for Job Network clients—even though the department acknowledged that the pilot program participants were among the easier DSP recipients to place in work.' By simply reintroducing its crude old bill, the government still appears unwilling and unable to face the extra costs and challenges associated with helping DSP recipients find sustainable work.

We in the Labor Party are firmly of the view that the best form of welfare is a job, wherever possible, but we recognise that for some groups in the community extra support is required to enable them to have a job. Sometimes this support is for the employer, but we particularly look to support that should be available to individuals to enable them to work.

Many of the extremely competent volunteers I encounter in my electorate are disability support pensioners. They display a range of skills and abilities. Often, these abilities are far from the work they undertook when in the paid work force. Through the amazing support of community centres they have developed a wide range of skills and put themselves through a lot of training to get these skills. However, their ability to participate in the work force on a regular basis is not always clear. Many of them have illnesses which require periods of hospitalisation. Many of them can work only part-time.

Others still require further training support in order even to be able to secure a steady part-time job, yet the federal government shows absolutely no sign of addressing any of these issues. My confidence that it might do so is knocked back completely by seeing the experience of the Prime Minister's Community Business Partnerships Committee on Mature Age Workers. While its report with 36 recommendations was available in October 2004, there has been no indication whatsoever that one of those recommendations will be adopted. The commonwealth is failing in its duty to employ people with disabilities.

Under the Howard government, commonwealth employment of people with a disability has decreased from around 5.6 per cent of its work force to around 3.8 per cent of its work force, yet the commonwealth seems to be about to introduce legislation which proposes a higher threshold for disability (in other words, people must have more complex disabilities than is now the case), but it is not doing anything useful at all to help people acquire the skills and the work-hardness that might be required for a job. Similarly, the commonwealth government is doing nothing to help employers cope with the fact that sometimes workers with disabilities are of necessity absent for a week or two at a time. Sometimes they cannot work 100 per cent of the time but they can work 85 per cent of the time. There are no proposals to deal with this. People are alarmed.

Time expired.

BAROSSA VALLEY, POWER SUPPLY

The Hon. M.R. BUCKBY (Light): I rise today to speak on an issue that is extremely important to my electorate, and it is the outcome of an ever-expanding wine industry and the benefits that that brings to the Barossa Valley and the Gawler region in terms of added employment, increased turnover through exports and, in general, increased profitability and wealth. One of the outcomes of this is the demand for more electricity. The wine industry has expanded in the Barossa quite substantially and the draw on power is greater. The work force has increased, new houses have been built and, obviously, there is a greater demand for electricity throughout the Barossa Valley. The member for Schubert and I have attended meetings in the valley.

ElectraNet, the owner of one of the powerlines that delivers power to the Barossa, has put forward the notion that, to ensure that it meets its commitments of power supply, it needs to upgrade the power supply into the Barossa Valley. ElectraNet's proposal was to install a separate powerline, either via local roads or the current easement that travels from the Main North Road to the Dorien substation. Members of the community of the Barossa Valley were extremely concerned about this because already two powerlines traverse over the land and through that easement.

A third powerline would create not only problems in terms of farmers having to work around them in their paddocks but also it would create another blight on the picturesque landscape of the valley. The Barossa residents suggested to ElectraNet that this new powerline should be undergrounded. That was one option considered by ElectraNet. Another option put forward by ElectraNet was to follow the existing easement with a separate powerline. The third option was to follow the local roads to access the Dorien substation.

One suggestion that I put to the ElectraNet officers when I met with them was: why can we not hang six lines off the power poles instead of three, thereby combining the two lines that they would own and ensuring that the lines that were left were the same as are there at the moment? The officers of ElectraNet suggested that they would look at that, and at the public meeting that both the member for Schubert and I attended they put that forward as a worthy option, because it would mean that they would then be able to put one powerline through the easement.

I have not heard a final decision yet, but the rumour is that ElectraNet is going to follow local roads which will, first, ensure that we have three powerlines around the district rather than two but also that there is a native vegetation issue in following local roads and, in certain sections of those roads, a problem with having to take out some native vegetation or work around native vegetation. Thirdly, it is just ignoring the wishes of the local residents in the Freeling area and through the Barossa Valley, who do not want another set of power poles running through what is a tourist area and a very picturesque area when another option, that is, the current easement, is available to ElectraNet.

If ElectraNet does decide to go down that path, while I do not wish to speak on behalf of the member for Schubert, who can speak for himself, that is not the path that it should follow. The easement currently there is the path that should be followed by this powerline.

Time expired.

STATE GOVERNANCE

Mr RAU (Enfield): Today I want to say a few words about the lamentable decline in the high ideals that once motivated our friends opposite in the Liberal Party and, in particular, I am referring to the high ideal they once espoused about the right of states to make up their own minds about how they were to be governed and the importance of state legislatures in that regard. I am old enough, unfortunately, to remember Peter Reith's contribution to the referendum debate, when Lionel Bowen, the then Attorney, federally put up a raft of rather innocuous proposals for constitutional amendment, and the shrill outbursts from Mr Reith about the Canberra octopus that was about to engulf the living daylights out of all the states and thereby destroy both the federation and life as we know it.

It is very interesting that today we have in the paper that eminent member of the Liberal Party, Mr Costello, who has obviously never heard of Mr Reith or the party of which he is supposed to be a representative and who has embarked upon what seems to be his favourite occupation of state bashing. This seems to be a favoured technique for this fairly thuggish federal Treasurer, every time he feels a bit of heat on his own back, to divert attention from himself. Of course, in his capacity as the gatekeeper for the Foreign Investment Review Board, he has recently had to entertain the application by Xstrata to be enabled to go ahead with its proposal to take

over Western Mining and, obviously, he has been discomfited by the fact that his own backbench find his decision curious, to say the least.

I might just add on that point that this is the same Mr Costello who, a couple of years ago-quite properly, in my view-blocked an attempt to take over Woodside by the Shell company. I might also add that the Shell company has nowhere near the suspicious antecedents that Xstrata has. This is also the same Foreign Investment Review Board that has constantly blocked an attempt by a foreign national to invest money in South Australia to produce an alternative daily newspaper. Curious: but there you are.

He does not like the fact that there is heat on him about this, so he is now diverting this with calls for the states to spend the GST money in the way he wants it to be spent. Of course, Mr Costello is Mr Taxation: he has imposed the largest tax burden on middle income Australia that any federal Treasurer has ever imposed.

This is having a huge impact on families of working people. The money he piles up in these surpluses and brags about is, of course, not his money at all: it is money that he has taken out of the pockets of Australian taxpayers. It is ironic, to say the least, that this man who has his hand in all our pockets all the time, who imposes massive tax burdens on middle Australia, and who is taxing families as if they were individuals—which anyone who has a family realises is an absolute absurdity—is criticising the states because the states are choosing to spend the GST moneys, which he signed up to give them, in a way that he does not approve of. That is typical of his attitude, which we have seen in relation to the national competition policy and all the other manifestations of Mr Costello trying to run the whole country from Canberra.

It is very distressing indeed to see the Liberal Party, which historically, at least, can be counted on to get up and say something on this issue, if none other, being absolutely mute on the subject. Meanwhile, Mr Costello, with his hands in all our pockets, with a surplus he cannot jump over, carried on like Father Christmas at the last election, handing out money willy-nilly to everyone—to every area that wanted its river dredged, and various other people. All this went on willy-nilly. He then decided to take on the states. He should sort out his own policies and do something about dealing with his own massive tax grab, and back off and leave the states to get on with what they are supposed to do, which is pass laws they choose to pass and to spend money in the way in which they think it should be spent in their own jurisdictions. I would like the Liberal Party to think about this, and get on the telephone—if they are unable to get up here and say that they agree with this—and ask Mr Costello to back off and leave us alone.

PORT RIVER, BRIDGES

Mr VENNING (Schubert): The inability of the Rann Labor government to make a decision on the new bridges at Port Adelaide, whether they be lifting or fixed bridges, highlights a very serious problem facing South Australia. This government is going to leave us a legacy of totally rundown infrastructure, as did the two previous Labor governments. The Dunstan Labor government's decisions are impacting on us today, which I thought about only this morning, as Adelaide chokes with poor road infrastructure and a poor public transport network. The Dunstan government sold SA Railways and also dismantled and sold the MATS plan—arguably the worst government decision, even worse than the State Bank. The government is now trying to salvage some of it, but at a huge cost—for example, the Mile End extensions. The MATS plan would have solved our problems, but an entire plan was totally scrapped and can never be re-established. It was a shocking decision, while other states, particularly Brisbane, built new road access infrastructure when it was affordable and without causing too much inconvenience.

Of course, we then had the Bannon-Arnold Labor government, which did not remedy any of this and had its own major disaster, namely, the State Bank. We will be paying for that for decades to come. All talk but no action, and businesses left South Australia. A lot of headquarters left South Australia during that period, and I know of several. The Grand Prix is one example of course, and Mr Rann was the relevant minister.

We now have the Rann Labor government. Has it attempted to address our inherent problems? No; it has done the opposite. I am a member of the Public Works Committee and we are having a total drought of major capital public works. We usually meet every Wednesday, but no meeting is to be held tomorrow and no meeting was held last week, either. We usually meet every Wednesday, but no meetings are being held at the moment. The only works we have deliberated on, apart from a couple, are works initiated by the previous Liberal government.

I simply cannot believe that we are only one year from the next state election. This government is very cashed up from GST payments and huge increases in state taxation, especially land tax, together with the high cost of motor registration, licensing and, of course, the inequitable speeding fines. What is the government doing with the money? No wonder the federal government is asking questions about what the states are doing with all their GST moneys.

We have a major project which will have a significant impact on South Australia's future, yet the government continually prevaricates on a decision, and the resulting delays will cause far-reaching problems for our state. The government's own financial think tank, via Mr Robert Champion de Crespigny, has recommended that South Australia's future lies with export enhancement. Again, a lot of rhetoric but no action. When will Mr de Crespigny give us a scorecard on his own recommendations? Three years in and the government has not delivered.

Our shipping trade is worth $2.8 billion. Freight is an incredible dynamic in the final price make-up of export products, and there is 10 per cent of fat in these products which is freight. We have to get rid of that fat to remain competitive: if we do not, we will pay the price. The Rann Labor government cannot decide what to do about the bridges, and this has been going on now for over 18 months. We know there is a race to be operational before Melbourne is up and running, so there is some urgency. As you know, sir, Melbourne is spending $450 million to deepen the entrance to Port Phillip Bay to enable the passage of larger vessels at our expense if we delay. What of the other stakeholders dependent on this decision?

The Hon. K.O. FOLEY: I rise on a point of order. Pursuant to standing orders, would it be appropriate for the member for Schubert to declare his pecuniary interests in issues relating to the grain industry as both a grain-grower and a shareholder in the Grain Corporation?

The DEPUTY SPEAKER: The house is not voting on any particular measure related to what could be a personal

interest so there is no obligation on the member to declare or not declare.

Mr VENNING: For the record, I have sold my shares. Not all of them, but only because I am unable to—I have been delayed now—and I shall when I can.

The Hon. K.O. Foley interjecting:

The DEPUTY SPEAKER: Order!

Mr VENNING: Many stakeholders do not see any economic advantage by the expenditure of large moneys, and that is slipping away. That is Flinders Ports. The port users have frozen any expenditure on port infrastructure until a decision is made. We prevaricate while the rest of Australia moves on.

South Australia is becoming a basket case after three Labor governments have failed to act. When you sit in traffic on choked roads you realise why you are being inconvenienced. What will it be like in 2020? What about hot spots like the Britannia roundabout and, of course, the Gepps Cross logjam? All these problems—what will they be like in 2020? All of South Road was to be an expressway: now it is a mouse way.

ADELAIDE FILM FESTIVAL

Ms CICCARELLO (Norwood): On Sunday I had the pleasure of attending the launch by the Premier of the Giffoni selection as part of the Adelaide Film Festival. These films are a selection of the best from the Giffoni International Film Festival, an innovative annual event that has been going for some 34 years. We were honoured to have with us members of a delegation from the Giffoni festival including the Deputy Director, Manlio Castagna, in addition to Simone de Santi, the Italian Consul in South Australia, the festival Director, Katrina Sedgwick, Mr John di Fede, President of the Federation of Campani in South Australia, and Antonio Bamonte, the Australian representative for the Campani, to celebrate the screening of Giffoni films as part of the Adelaide Film Festival. It also included Mr Mario Andreacchio whose office is in Norwood and who has just been given the honour of being the representative for Giffoni here in South Australia.

The Giffoni Film Festival saved a town that was dying, it unleashed a new kind of idea on the world and it empowered a new kind of consumer, namely children, to be critics of and participants in a great cultural event. In the Italian town of Giffoni, not far from Salerno in the Campania region, children aged from six to 19 years and from 16 countries screen films in competition and await the judgment of their peers. The themes are as varied as the children themselves and include love, friendship, passion for football, solitude, violence and drugs. Celebrities such as Jon Voight and John Travolta flock to Giffoni every year and praise it. Actress Meryl Streep said:

> It is unique because every year fresh eyes and newly minted sensibilities are given expression. Children have few preconceptions. They offer the purest, most direct commentary on the film any artist could wish for. It was a joy and a revelation to hear their reactions. It made me hopeful about the future of cinema. . . it will be in good hands.

Film is, indeed, vital to us now and the making of film by children is as important an advance in how we live our lives and see the world as was a long time ago the obligatory writing by children of school compositions. Compositions made children set down their ideas and show us the marvel of their minds before these minds were beaten into shape into adulthood, before their dreams were put in uniform and tethered to their future obligations.

In a similar and more vivid way, I believe Giffoni puts before us the wonder of youth in its Lewis Carroll or Spike Milligan phase before it loses its magic—its thrill in being and its first fine careless rapture. Giffoni is an event with no downside. It celebrates childhood. It feeds ambition. It stirs creation. It provides opportunity. It licenses what Sir Ralph Richardson once called 'dreaming to order'. It challenges youth to articulate and defend their visions of the world, and it shows us, as adults, how much of our children we do not know, how much more we should talk about, and how much of our dreaming is common property. Giffoni is one of the most insightful, perceptive and brilliant creative leaps in the history of entertainment and early education. In the words of François Truffaut, the legendary director: 'It is the most necessary film festival in the world.' It is a great innovation for South Australia to have the Giffoni Festival here in Adelaide.

I would like to congratulate Premier Rann on his passion for films and for having injected an extra $750 000 in funding for the production of film in South Australia. This funding will be a catalyst for the creation of original, challenging and well-made films for future Adelaide film festivals. The SA Film Corporation has always excelled in the past. It has certainly been at the forefront for many years and it will continue to be so. We have seen our films rewarded and recognised overseas, and we look forward to continuing improvement and excellence in our film industry in South Australia. I am very proud to have almost 60 companies in my electorate of Norwood involved in the film industry. It has been dubbed 'Norrywood', and I look forward to its becoming the centre of excellence for film in Australia.

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (NEW NATIONAL ELECTRICITY LAW) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 9 February. Page 1460.)

Mrs GERAGHTY: Mr Deputy Speaker, I draw your attention to the state of the house.

A quorum having been formed:

The Hon. W.A. MATTHEW (Bright): I rise as the lead opposition spokesman on this bill to speak to it and, in so doing, I advise the house that it is not the state Liberal Party's intention to oppose this legislation. However, we have a number of concerns about the bill, and it is our intention to detail those during the second reading and to explore those concerns further during the committee consideration of the bill. This bill is a little different to those that are normally debated in this house in that this piece of legislation is actually legislation being introduced by South Australia as the lead state in electricity legislation matters into this parliament and it will effectively act as the base legislation for other jurisdictions that operate within the national electricity market. For that reason the legislation that we debate is legislation that, at this time, has been signed off by ministers of other jurisdictions.

In keeping with the normal procedures that apply for the handling of such legislation, should this legislation be amended by the time that it passes both houses, it would be, in the normal course of events, necessary for the government to adjourn debate at the end of the committee stage to then go back to the ministers of other states to seek further sign-off, if the government believes that any amendments put forward are worthy of consideration and acceptance. I wanted to make sure that that was very firmly on the record so that all speakers who follow are mindful of that part of the process as we embark upon the consideration of this bill.

In his introduction of this bill to the house, the minister stated that his government is again delivering on a key energy commitment through new legislation to significantly improve the government's arrangements for the national electricity market for the benefit of South Australians and all Australians. So, it is very much on the record that the minister is not only an advocate of this legislation but he sees its introduction as satisfying a key energy commitment of his government. My colleagues and I note with interest that very strong support. I do not share the minister's strong enthusiasm for this bill. I do not dispute the need for the legislation and recognise that this, of course, is a second bill. The first bill was debated last year and essentially provided for the establishment of the changes to the national electricity market. I recognise that there are other bills to follow in order for the changes to be complete, and I expect that those other bills are likely to be ready at the end of this year and into next year and beyond. So, we are looking at a gradual process in changing this market.

Essentially, the background to this legislation was the national electricity market establishment in 1998. We then had the review undertaken by Warwick Parer, thereafter known as the Parer review. That was undertaken as the consequence of a COAG recommendation, and the Council of Australian Governments thereby established a review of energy market directions. The Warwick Parer review was provided to ministers from jurisdictions in 2002, and we saw the Ministerial Council on Energy report, Reform of Energy Markets. We then saw the Australian Energy Market Agreement of 2004, and from that we saw legislation come about to establish the Australian Energy Regulator and the Australian Energy Management Commission.

So, in short, this bill is intended to continue the reformation of the national electricity market government arrangements, and it confers functions and powers on two new bodies that have been established: the Australian Energy Market Commission—that was established under our legislation, the Australian Energy Market Act 2004, and was picked up as the enabling legislation for other states—and we saw the commonwealth establish the Australian Energy Regulator under the commonwealth Trade Practices Act.

The bill also enshrines the policy making role of the Ministerial Council on Energy in the context of the national electricity market. This particular ministerial council normally comprises the lead ministers or energy ministers from each jurisdiction including the energy minister from South Australia. South Australia in that context for this bill, as it was under the previous Liberal government, is the lead legislator for National Electricity Law. In fact, it is fair to say that the Hon. Rob Lucas of another place, former premier and before that former infrastructure minister with responsibility for energy, the Hon. John Olsen, and myself, all had that role as lead legislators. This is an ongoing process that has been in place for many years.

I make that comment because the Minister for Energy, in his exuberance in selling the virtues of this particular piece of legislation and trying to make it look as though his government is doing something about electricity and electricity prices, has been selling himself as the lead legislator, the man of experience, who will make all this happen. It is fair to say that the only reason the current energy minister is the lead legislator for this legislation is because that has been the case since the introduction of the national electricity market: the South Australian minister has had responsibility for carriage of legislation on behalf of other jurisdictions. This bill is strongly supported by my colleagues in the federal Liberal government. They have been heavily influenced in the drafting of this legislation by the Parer review, which I mentioned earlier.

Essentially, the cooperative scheme that we have in place for electricity market regulation came into operation in December 1998. The lead legislation is, again, another piece of South Australian legislation, the National Electricity (South Australia) Act 1996. The current National Electricity Law is a schedule to that act. That law, together with the regulations that are made under the National Electricity (South Australia) Act 1996, are applied by each of the national electricity market jurisdictions. I should mention that those jurisdictions include New South Wales, Victoria, Queensland and the ACT; and following the passage of this bill Tasmania will become part of that process. Therefore, the jurisdictions then outside the national electricity market will be the Northern Territory and Western Australia. Similarly, under this legislation, the National Electricity Law and the regulations (now the electricity rules) will be applied in each of the other national electricity market jurisdictions by virtue of their own state application acts they will put through in due course.

With respect to template legislation, as it is known, one of the reasons it comes to South Australia for management is because—and my understanding is that it still applies today—the cabinet handbook actually indicates that South Australia will not be accepting of template legislation. I assume the cabinet handbook is still the same today, and for that reason South Australia, therefore, finishes up being the lead legislator for such legislation; hence, we are here again today.

Another change that is made through this bill is that the new regulatory scheme will apply as a law of the commonwealth in the offshore adjacent areas of each state and territory. The South Australian Energy Market Commission Establishment Act passed last year did just that. This legislation actually gives effect to changes to the national electricity market governance by conferring functions and powers on that body that were established by the previous legislation that we considered in this place. Similarly, it confers functions and powers on the Australian Energy Regulator, who is established under the commonwealth Trade Practices Act 1974. Importantly, it defines the role of the Ministerial Council on Energy. As a result of my knowledge of that body—and I have served on it before—I point out that this bill does not widen the powers that are available to ministers but, rather, defines more specifically what their role will be. Essentially, that is a high level policy oversight role of the national electricity market. As well as comprising the energy ministers from each of the states and territories, importantly, it also includes the commonwealth's Minister for Industry, Tourism and Resources.

The bill retains the functions, as they presently stand, for the National Electricity Market Management Company (NEMMCO). It retains its role of being responsible for the operation of the whole exchange power systems security. It remains unchanged. The legislation sees the final end of the national electricity code administrator (NECA) and its functions go across to the Australian Energy Management Commission and the Australian Energy Regulator. As I indicated, Tasmania will be joining the market and, effectively, its participation will take place from 29 May this year, assuming passage of this legislation in time for that to occur. However, that is not to say that it will be in the position of being able to send electricity into the market because at this time it has a number of physical hardware-related problems that have to be overcome. I understand that the chances of its being market ready this year are considerably remote.

The new National Electricity Law that will be facilitated as part of this legislation defines the scope of the national electricity market. Included within this bill is a single national electricity market objective, which is interesting and which I think is worth putting on the record. It reads:

> . . . to promote efficient investment in, and efficient use of, electricity services for the long term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity and the reliability, safety and security of the national electricity system.

The opposition has received a myriad of submissions in relation to this definition. Likewise, I am sure the minister has received similar submissions, as have his counterparts and mine in other jurisdictions. It is a bold move to come up with a definition of the electricity market in this way that will keep all interested parties happy. One of the things I will be doing during the course of this debate is putting on the record the views of some of the other stakeholders who were not particularly happy with that which has been put forward. That is not to say that I am necessarily in agreement with them, but, rather, that I believe that the forum of the parliament is one that provides all interested parties an opportunity to have input, and that input should occur whether or not I agree with them.

Essentially, through that definition, we can see that the market objective has become one of an economic concept. It is fair to say that it always has been but this explicitly puts it forward as such. I know that my federal colleagues would argue—and to this extent I agree with them—that if the national electricity market is efficient in an economic sense, it stands to reason that the long-term economic interests of consumers in respect of price, quality, reliability, safety and security of electricity services will be maximised. I believe that that is a fair argument, but to take that argument to fruition and implement the structures that are necessary to deliver that economic ideal is, of course, the challenge that confronts not only South Australia but all other jurisdictions that form part of the national electricity market at this time.

I will now take some time going through some of the component parts that have had conferred upon them functions and powers as a consequence of this legislation. The first of those to which I briefly referred was the Australian Energy Management Commission, which has been established as a statutory commission. Under the new National Electricity Laws and rules it will have responsibility for rule making and market development, and market development will occur as a result of the rule review function, as the drafters of this concept see it.

The rule-making function, as I would describe it, effectively is a change in management process because the Australian Energy Management Commission will not generally be empowered to initiate any changes to the rules other than—my federal colleagues tell me—where, perhaps, a proposed change seeks to correct a minor error or something that is essentially non-material. Apart from minor matters of that nature, the Australian Energy Management Commission will be investigating recommendations that are put to it. The commission will be managing rule changes as are recommended to it, and it will need to consult and decide on those rule changes as decided by others. The others might be the Ministerial Council on Energy; it might be industry participants; it might be electricity users; or it might be the reliability panel that is also empowered through this legislation, and I will refer to that panel a little later.

In undertaking its market development function, the proponents of this system see the Australian Energy Management Commission as conducting reviews into any matter that is directed by, first, the Ministerial Council on Energy. On the other hand, of its own volition, it may conduct reviews into the operation and effectiveness of the rules or any other matter relating to them. These reviews might result in the Australian Energy Management Commission's recommending changes to the rules, in which case the Ministerial Council on Energy can then initiate a rule change or a proposal based on these recommendations.

As I said, the body in itself cannot make rule changes, but it can undertake a review where one would appear necessary. In fact, anyone can take the documents that it produces and recommend a rule change which it must then pursue. The other body that is formed as part of this is the Australian Energy Regulator. I will be spending a fair amount of time talking about the Australian Energy Regulator this afternoon because it is that body and its role about which the opposition has received the broadest range of submissions of concern.

It seems to me that many of the concerns that have been expressed by stakeholders in relation to this body are particularly valid. As I indicated earlier, this regulator has been established as a statutory body, but under National Electricity Laws and rules. It has enforcement compliance monitoring and economic regulatory functions. It will take over those functions which, as at this time, are performed by the National Electricity Code Administrator granting to transmission and distribution system operators any exemptions from their obligation to register. It will be able to authorise an officer to apply to a magistrate for the issue of a search warrant where there are reasonable grounds for believing that there has been or there will be a breach or possible breach of a provision of the new National Electricity Laws.

Importantly, this body is charged with bringing to court proceedings in respect of breaches of the new National Electricity Law or rules except where there are breaches of an offence provision. It may also be able to issue infringement notices for certain breaches of the law and rules. The compliance monitoring role, as I understand it, will include monitoring compliance of the rules. One of its responsibilities in doing that will be verifying and substantiating rebids by generators in the wholesale exchange. Members of the house would be aware that this is a particularly controversial area of the electricity industry.

It is vital that this body has the appropriate powers to oversee carefully what occurs at times of peak electricity usage when the wholesale price increases dramatically. The

new law will also empower the Australian Energy Regulator to obtain information or documents from any person, that is, from any person where such information or documents are required for the purposes of performing or exercising any of the functions or powers of the Australian Energy Regulator.

However, persons are not required to provide information or documents pursuant to such a notice where they have a reasonable excuse for not doing so or where the person is not capable of complying with the notice, and information subjected to legal professional privilege is also protected from disclosure pursuant to such a notice. As I am detailing the role of this new Regulator, members will see that significant powers have been given. Many of those powers are in existence today with other bodies that have been placed here but with variations, and I will come to those variations a little later in my assessment of the bill.

Importantly, the Regulator will be responsible for the economic regulation of the electricity transmission services within the national electricity market jurisdictions and, therefore, within South Australia. Interestingly, they will take over the Australian Competition and Consumer Commission's functions, the ACCC functions, in relation to the regulation of revenue and pricing of electricity transmission services. This matter is where it becomes interesting. When the federal government first proposed the establishment of the Australian Energy Regulator, it was the federal government's intention that the Australian Energy Regulator function actually would be performed by the ACCC.

I know that many members of this house, on both sides, share my cynicism of the ACCC. I am aware that the member for Enfield has a particularly strong view about the role of this body within Australia today, and I agree with many of the sentiments that he has expressed in this chamber previously. Needless to say, along with many other of my colleagues—from both sides of the house, I suggest—I always look fairly carefully when something that might involve the ACCC is proposed. To that end, I have had a lot of concern expressed by companies, particularly where you have a Regulator with strong powers, the powers to actually compel documents, and an overriding protector saying that, where something is commercially sensitive, those documents do not necessarily have to be provided where there is reasonable excuse for documents not being provided.

But that does not change the fact that the industry is concerned that commercially sensitive documents that are going in to the Regulator may be available to the whole of the ACCC. A number of areas of industry have submitted that to the opposition, so I took it upon myself to question my federal colleagues at length about this aspect, and I am concerned by what we have now been told. What I find is that the Australian Energy Regulator will actually be located within the ACCC: physically in employment terms; physically in accommodation terms; structurally within reporting terms; and, in fact, financially within financial accountability terms. The system is intended to work like this.

The Australian Energy Regulator's staff will be located in the same building as the ACCC staff two floors down. The budget of the Australian Energy Regulator will be allocated by the head of the ACCC, Graeme Samuel. The staff of the Australian Energy Regulator will be the same staff who are presently working within the ACCC, and they will not change the work that they are doing with the ACCC. The commonwealth has gone further and described the arrangement to me like this. They tell me that, essentially, they are looking at the staff who will be working within the Australian Energy Regulator as energy expert staff who will be providing information to the body that is the Regulator, and also to the ACCC.

In other words, the same staff will be performing both functions. That is certainly not the way this role was described to me when I was first briefed on the bill, nor at subsequent briefings, and I have been briefed on this legislation for more than a year. I have continually asked questions about the role of the Australian Energy Regulator, and this is not how that position was put to me. Having spoken to some companies in the last 48 hours since having that information, this is not how that role was put to them as occurring. I am not sure what information may have been provided to the Minister for Energy here about this.

If the information has not been provided to him in this way, I would encourage him, during the break this afternoon, to pick up the phone and ring my federal ministerial colleague interstate to see if he gives him the same information that I was given by officers only yesterday during a briefing. I am alarmed by what has occurred, because I now see that the role of the Australian Energy Regulator will be no different from what was first proposed by the commonwealth and objected to, I understand—and I am sure the minister will correct me if there were any exceptions, but I understand that every state determined that the Australian Energy Regulator would not be part of the ACCC.

That is my understanding and I understand that this minister was also of that view. It would seem that, by default, the commonwealth is about to manipulate it back the other way. That gives me significant cause for concern and, as a result of the briefing I had yesterday, I am not able to allay the concerns of the companies that have written to the opposition expressing deep concern over what might actually occur with this body.

It is important at this juncture to refer to some of the consultation that did occur with stakeholders in relation to this bill. As I indicated, I have been getting briefings on this for more than a year from the commonwealth, as the development of this legislation has become more advanced in its intent and model. The minister has been to a number of ministerial councils and, doubtless, has spent countless tens of hours working through the process that is involved here. A lot of bureaucrats have been involved, and not simply South Australia's lead legislator. There have been commonwealth bureaucrats equally involved in this, and documents going back and forth between bureaucrats.

One would expect that, as a consequence, the consultation with the energy sector, with all the stakeholders, would have been extensive and exhaustive. But I am disappointed to say that that has not occurred. I do not mind giving our Minister for Energy the occasional kick, but on this occasion I am advised that he was probably the only minister in the whole nation who even believed there should be any consultation. I am sure he will correct me if any of his eastern states colleagues agree with him on it. However, I understand there was not a great desire by ministers to have consultation on this, but just to go out there and do it.

So, while the consultation has been poor, at least it has happened, but it needed to have been far more extensive. A whole range of groups have, firstly, submitted to the opposition that the consultation has been inadequate. For example, the Energy Supply Association of Australia, which, as a representative organisation, represents a considerable number of stakeholders in this industry, told the opposition, in part:

The new National Electricity Law will be an important foundation to support the key structures of the national regulatory framework, and it is essential that thorough consultation be undertaken to ensure that the new regulatory structures are both efficient and effective. Consultation on the legislative package has been disappointing, and the Electricity Supply Association of Australia feedback on the legislative package is necessarily limited, as the proposed regulations and transitional provisions have not been made available.

That comment is dated 12 January and was information that went back to federal bureaucrats in relation to this bill and the consultation process. We have a peak body which represents a number of stakeholders which believes that consultation has been a problem, and I believe there is room for all members who are serious about the legislative process to be concerned.

Unfortunately, it does not end there. Similar concerns have been expressed by a range of bodies. One is the National Generators Forum, which is a forum that has been put together by electricity generators. It, too, has been particularly concerned about the poor consultation process and, again, its inability to obtain drafts of documents so that it has the opportunity to make constructive comment. It is fair to say that I am not speaking to anyone in the industry who does not want to see legislation passed. That is the important thing. There is actually a lot of goodwill in relation to this. The participants want the market to work, and they want it to work well, and they want to have the best possible legislation up in the shortest period of time. So, they are coming from the right end of the objective spectrum. Of course, there is always going to be vested interests that drives them to some extent. It is fair to say that as a result they are not always going to get what they want. I am sure the government and the opposition would agree on a number of things they might ask for that we do not believe they should have.

It seems to me that, when you have an organisation which is raising consistent things it is concerned about which are not getting a proper response from the federal bureaucrats who are supposed to be consulting on this process, there is significant room for concern, and it needs to be followed through. In fact, I have been getting emails on a daily basis, and I got another one today from yet another company that is concerned about this issue. I am getting 20 and 30 page documents from company after company, from representative bodies and from stakeholders, all of whom have concerns about this bill and all of whom are unhappy with the consultation process.

I understand that some of the imperative to get this legislation through was to enable the state of Tasmania to decide whether it will commence its market entry under the existing rules or under the new rules. In an ideal world, of course, it makes sense that, if the new rules are going to be ready, or close to ready, Tasmania would be able to pick those up and run with them. As I indicated, from 29 May this year, Tasmania will be entering the market, although it will not be physically connected into it at that time. I would expect Tasmania would have companies out there seeking market contracts, because Tasmania, particularly with its big hydro capacity, would see itself as a net exporter of electricity and would see it as a good opportunity. However, the physical process of connecting Tasmania into the grid obviously necessitated an undersea cable to join Tasmania with the Victorian mainland. While that process is well towards completion, the infrastructure at either end of that cable, to put it in the simplest terms, arrived damaged from overseas. Unfortunately, this is not the sort of infrastructure that can be repaired in five minutes.

There is another dilemma with energy infrastructure providers around the world at the moment, that is, that most of their eyes are focused towards China. The Chinese economy is growing at a rapid rate. Its nation has a very large growing thirst for electricity, and it is building power stations at a rapid rate around the country. Many of the world's largest electricity equipment providers can make a very good living from addressing that market. So, the repair of equipment in a smaller market such as Australia makes it harder to get the attention we believe we deserve. I am advised within industry, and that advice is confirmed by my federal colleagues, that the initial assessment of the equipment, which was provided by the respected company Siemens, is that it may take a good seven months or more to be ready.

So, that effectively takes out some of the urgency for this legislation. I again put that to federal representatives yesterday, namely, does the Tasmanian situation now take away the urgency for this legislation? Their response was, yes, it does, because the need is not there to have it there. Having said that, they obviously would still like this to be through in the shortest possible time. As the minister is well aware, the time process has been long. In fact, I know the minister gave an undertaking to this house that we would have the legislation through by the end of November last year. As I have said, I do not mind giving the minister the occasional kick. However, when you are dealing with that cumbersome beast which is created in the form of ministerial councils and which involves the commonwealth and which requires agreement between all jurisdictions, the process is a particularly slow one. I have to say that I reckon the bureaucrats did over the ministers pretty well on this one, because the legislation was not actually drafted in South Australia, even though we are lead legislators: they used parliamentary counsel from Victoria.

We have very competent parliamentary counsel here—I know they are always busy, but they are very competent—and it might be that their resource level was such that they were saturated with other work and could not take this upon themselves. If that were the case we certainly also have competent private counsel in South Australia who have experience in drafting parliamentary legislation who could have been part of the process. At ministerial level you do not usually chase around working out who is going to draft the legislation; you leave that to your officers to find the most competent people to draft the legislation and to work with participants to ensure that that legislation is ready in a timely manner and that it is quality legislation.

The process is made that little bit more difficult when you have Victorian draftsmen drafting the legislation, South Australians working on it, and other bureaucrats buzzing around in Canberra overseeing it. Perhaps the time I have been in this role, the 15-plus years I have been parliament, has made me overly cynical but it seems to me that the Eastern States, not wanting to see South Australia being taken too seriously in its lead legislative role, thought that they might somehow be able to get their piece of the pie by having their parliamentary counsel involved. I have questioned my federal colleagues about the decision to have Victoria's counsel drafting this and I have been told that the decision was made at officer level. So I come back to the point that I think some of those working at officer level may have had a bit of a lend of the ministers involved in this process and have just helped draw it out so much more.

As I said, I would like to be able to give the minister a whack for not bringing the legislation in when he said he was

going to but, to show what a fair and charitable chap I am, I am prepared to acknowledge that, in fairness, the unwieldy beast he had to work with made delivery along the time lines prescribed just a little bit more difficult. Perhaps that is what happened to the consultation time process; perhaps it happened that, because of all these other obstacles that have developed, the bureaucrats thought they would just keep cutting out what might have been there with that consultative process. After all, when you are a bureaucrat working on some of this legislation it can be a bit painful having to go out to industry because they criticise and question and probe and put up suggestions that might need to be followed through. They create still more work and, by heck, the pesky little blighters could actually make the whole process of putting together a new market structure that much more difficult. Perhaps they, maybe even at the encouragement of some ministers, thought that if they just cut back on the consultation they would get that order moved further.

I put to the market participants who have been in discussion with the opposition that the opportunity is there to oppose such legislation if they believed that was appropriate. None of them actually went that far: they were concerned about the process and concerned about a lot of what is there, but they do want something to happen. Therefore, I put to the house that, if this bill actually passes both houses in this format, there is no doubt that, as well as the two expected pieces of legislation that will follow over the next 18 months or so, we are also likely to have many other pieces of amending legislation as different pressure is brought to bear in different jurisdictions to have this unwieldy beast corrected.

In fact, it reminds one of some of the cartoons that circulate, particularly in engineering groups, where engineers and architects are given different project descriptions to build what they consider to be a perfect vehicle or building and they come back with something that does not look remotely like what the proponent initially pictured. One wonders if there is a risk of this occurring, because there are so many people with their fingers in the pie but they are not consulting extensively with the stakeholders.

On this occasion I am going to support our Minister for Energy and say that he was right in saying that there should be stakeholder consultation. I am sure he will respond, in his wrap-up to the second reading debate, in terms of whether he believed that the consultation here now is appropriate or whether he asked for more and this was the compromise. Quite clearly, stakeholders deserve a lot more consultation than has occurred and I am confident that, if the bill passes this house, when it gets to the other house a lot more stakeholder comments will come to us as part of that process. I have a number of questions involving particular parts of the legislation, but I am going to save those for the detail of the committee stage. As we work through the bill clause by clause I think that will probably provide a better and more thorough opportunity to address those concerns.

Another body (one of many) has also submitted its concerns to the opposition about the consultation process, and that was the Energy Users Association of Australia—obviously, representing a different group of people in our community. I would like to read just part of what it had to say just a few weeks ago:

> The Energy Users Association of Australia has concerns about the consultation process in relation to both the national electricity regulations and the National Electricity Law. In addition to the Energy Users Association of Australia's previously expressed concerns in relation to the inadequate time to consider and comment, the association has grave reservations about the piecemeal approach to consultation.
>
> At this time we not privy to:
>
> 1.1 The proposed means by which access issues are to be addressed
>
> 1.2 The regulations to be enacted pursuant to the National Electricity Law
>
> 1.3 The savings and transitional provisions for the National Electricity Law and national electricity regulations
>
> 1.4 Funding arrangements for the Australian Energy Regulator and the Australian Energy Management Commission
>
> 1.5 The memorandum of understanding between the ACCC, the Australian Energy Regulator and the Australian Energy Management Commission.
>
> Without these critical details it is simply not possible to reach a coordinated view about the process of electricity reform.

Those are important words, and to have an important body representing energy users in our country saying that, without the basic detail that they referred to, they cannot even reach a coordinated view about the process for electricity reform, should have rung a lot of warning bells, particularly to the federal bureaucrats who are overseeing this process. It should have let them know that more needed to be done. I have not actually specified just how poor the consultation was by looking at the time frame but, as an example, an exposure draft of the National Electricity Rules was released on 9 December last year just before Christmas. To give members an appreciation of how much we are talking about, these rules are almost 700 pages long and they contain detailed rules in relation to our electricity market—a complex market.

That was floated out to industry on 9 December as they were building into their busiest period of the year—certainly in the southern sector of this nation—and as they were leading up to Christmas, at a time when not all personnel may be readily accessible. The problem is that the close off for that consultation was in early January; so, they were given a massive document to work through, as an exposure draft; it was not finalised. They had to work through that. That is facilitated as part of the enactment of this legislation. You cannot blame them for being angry at the small amount of time they had to obtain information about this.

In relation to the regulations, I obtained a copy of those only last week and, again, the regulations are important for stakeholders to have access to, as they were for members of this parliament, because there is a heavy dependence upon those regulations in this legislation. It was imperative that that was available. That is why there are so many groups who have been lobbying. I am not going to detail ad nauseam all of the groups that have indicated their concerns with the amount of consultation but, as well as the overarching representative bodies like the Energy Supply Association of Australia, the Energy Users Association of Australia and the National Generators Forum, who put forward a lot of concerns and transmission network service providers, the companies that fall under the umbrella have individually expressed concern. As I said, the warning bells are ringing. The opposition would have been quite comfortable with this minister saying, 'I do not like the way these warning bells are ringing either and, now, with the imperative of Canberra breathing down our neck, it is slow because Tasmania is not part of the process. Maybe there is a need to go back with further consultation. Maybe there is a need to give stakeholders an opportunity to further comment. Perhaps it would be more sensible to do that before the legislation has changed so that we do not have to come back in the future with more changes.'

That opportunity is there and, clearly, it is up to the government whether or not it avails itself of it. One thing is certain, in the short term, if this legislation passes both houses and is enacted by the end of May—and I suspect there is a good chance that will be what comes into play—it will not make one jot of difference to anything that happens to South Australians with their electricity service provision or their prices—not one jot of difference for quite some time. The reason for that is because, obviously on establishing this body and transferring the powers, it is going to take some time to move powers across. In fact, the bureaucratically agreed deadline of 31 December 2006 will enable a whole lot of powers to be transferred across, but not price setting powers. Price setting powers only go across if volunteered forward by states. I noticed with interest some comments in the *Sunday Mail* that were attributed to the minister this weekend. I am a little guarded here because some comments were attributed to me in the *Sunday Mail* this weekend that did not come from me, so I am a little guarded when I say that the comments were attributed to the minister. He may be in the same predicament. However, in that article, the minister was floating the notion of actually transferring price setting powers to the commonwealth.

I would be interested in the minister's response to see whether or not he is serious about volunteering those powers to the commonwealth and his reasons for doing so. What is certain is that, if the minister were of that mindset, because of the processes that are involved and the mechanics that have to be followed through in empowering the new bodies, that will not be possible until 1 July 2007 at the earliest. So, if the minister hands the powers over, it will not be until 1 July 2007 that he would then be able to say, 'Don't blame me for electricity prices. It is the terrible people in Canberra, because they now have the responsibility for setting it.'

That does not really solve the dilemma that the Labor Party of South Australia has; that dilemma is a simple one. They promised at the last state election that they would deliver cheaper electricity prices, and they made that promise initially on the first day of the election campaign just as it kicked off when the now Treasurer, the member for Hart, came out and said, 'If you want cheaper electricity, you vote for a Mike Rann Labor government.' The difference between electricity prices today and electricity prices the day the Treasurer made that statement is that the electricity has gone up by an average of more than 25 per cent for South Australian householders. That is the difference between electricity prices today versus then. They have not gone down even though that was the promise. If you want cheaper electricity, you vote for a Mike Rann Labor government. The prices have not gone down: they have gone up. They have not only gone up, but they have gone up by 25 per cent plus. That has happened in a climate where, first, we have had a government pointing to the Liberal Party saying, 'It is all your fault. You Libs privatised it. That is why it has happened.' That has been their claim. At the same time, in Victoria, we have seen how they have dealt with their applications. We all know what the pricing is about (the new price regime) which are some of the very things we are debating as part of this legislation.

It was part of the national electricity market; in fact, the Labor Party's baby, the Paul Keating national electricity market. That market had been established, and South Australia had an opportunity to sit back for 12 months and that was something that the Liberal Party in South Australia was keen to ensure happened. That is what we ensured would happen when we were in government. We ensured that we were not going to be first cab off the rank with this new market, but we were determined that the eastern states would have the first go. So, we saw Victoria enter a year before us and that provided us with a unique opportunity. We had the opportunity in South Australia to see exactly how Victoria would cope with entry to that market.

An interesting company to reflect upon is AGL. AGL is a retailer here and in Victoria. AGL applied to the Victorian government's Essential Services Commission for a price increase of an average 15 per cent for Victorian consumers. They asked for that to apply from 15 January 2002. My date may be a bit out but it was at the beginning of January 2002. They asked for a 15 per cent increase and the Bracks Labor government said, 'No, you are not going to have that.' The Bracks Labor government refused that 15 per cent increase and they got an average 4.7 per cent increase. AGL did not react quietly to that, and you would not expect to a company to do that. They protested loudly and we saw them screaming from the media that they were going to have their bottom line affected. There were some who, in my view, were very silly by claiming that it would create a Californian type of situation in Victoria, that they could not make a profit, and that they would not be able to keep going.

All the nonsense that was paraded about was proven to be just that when the next year they had to come back for their price submission. You would have expected that if AGL was right with the comments that they made in Victoria about the price that was set by the Bracks government they would have been able to say, 'We've run at a loss and here are the problems that we've got, and we've got to have the increase, and if you don't give it to us we are definitely going to go broke.' That is what you would have expected AGL to do, but that did not happen because they made a profit. Not only did they make a profit but they came back with an average ask of 2 per cent. They asked for 15, got it knocked back, got 4.7, said they would go broke, did not, came back the next year and only asked for 2 per cent.

That put us in a damn good position. We in South Australia were able to see that happening in Victoria and we were able to determine how we would combat that. It also put AGL in an interesting position because obviously they were going to say, 'Well, what we have got to do on entering the South Australian market is, we at AGL will have to change our tack.' This should not be a new notion, particularly for a Labor Party, and particularly for this current minister. The current minister has worked in a legal role as an industrial advocate on behalf of many trade unions. He knows how it works. You go in with the ambit claim and you go for as much as you can get. You know that you are going to get cut back, but you get cut back and, if you get at least to a level where you want it, then you say, 'Well, that was not a bad negotiated outcome, was it?' That is what AGL did here. They were not going to come back with a 15 per cent ask in South Australia because if they came back here with a 15 per cent ask AGL would not have got their 15 per cent increase. They probably thought, 'They might do us over like we got done over in Victoria, and the Labor government in South Australia might only let us get away with 5 per cent or less.'

So, what did AGL do? They ramped it up. Initially their figures show that they were asking for an average 25 per cent increase, but a reassessment showed that that was 23.7 per cent. However, initially it was a 25 per cent ask based on the figures that they provided—just by coincidence around 10 per cent, a nice round 10 per cent lumped on top of the 15

per cent that they asked for in Victoria. I expected that that price request would get knocked for a six, not only because of what happened in Victoria but because of information that was provided to me in the four months before the last state election when I had responsibility for electricity, when we were examining the consequences of market entry. What is more, I made that information public by repeating it time and time again on Adelaide's media. Yes, I expected that there would be price increases.

At that stage the member for Hart, the now Treasurer, was the Labor Party spokesman for energy matters, and he was running around saying that there would be at least a 30 per cent price increase on electricity and that that was not going to be a problem under a Labor government. My response always was, 'Yes, there was going to be an increase,' and initially we expected that that increase was going to be in the vicinity of 10 per cent. That 10 per cent was generous because I expected that it would be less and we have seen the proof with what happened in Victoria.

If a government is tough, if a government is strong, if a government will not be ridden over, if a government will not be driven, and if a government wants something to work it can make it happen. The Victorian Labor government wanted their electricity system to work; the Victorian Labor government wanted the companies to invest in electricity in Victoria; the Victorian Labor government wanted to ensure that Victorians paid a fair price for their electricity, and so they used their strength as a government to ensure that that is what occurred. But in South Australia, for very peculiar reasons, maybe sick reasons, there appears to have been a very different agenda, because what happened with that ambit claim is that AGL got the lot.

They came here and they asked the government for—initially what appeared to be a 25 percent increase, but when the figures were worked through it was 23.7 percent average increase for the average householder—and they got it. They asked for it and they got it. They were not bargained with and it was not knocked down, and I can tell you that to this day they cannot believe it happened. It is still talked about in electricity circles around the nation. They cannot believe the way in which this government rolled over and had their tummy tickled. And every member of the Labor Party who sits in this parliament today must wear the responsibility for this. Electricity prices went up in South Australia because the Labor Party of South Australia rolled over and had their tummy tickled. They rolled over like a little puppy dog and they got South Australians done over. Some Labor members of parliament might think that it is funny but I can tell you that their constituents do not.

Their constituents do not think it is funny, because they are struggling to pay their electricity bills. They are struggling to pay their bills because they have a government power that promised cheaper electricity prices. Not only has it failed to deliver but, through its own incompetence, ineptitude or sick reasons, it has allowed the electricity prices to increase further.

I alluded to 'sick' reasons with respect to the reasons for this increase. I am putting to you, Madam Acting Speaker—to this house, on this record—that the only other reason why the government could have done it was not because it was incompetent or grossly inexperienced, but because it believed it could cause such an uproar that it could use it politically and blame the Liberal Party, thinking the electors would fall for it, and use it as a lever to stay in government. If that was its reason, it has backfired, because South Australians are rapidly waking up to what is going on. And now, to continue the farce, the minister has been out there saying he has a plan—

The Hon. P.F. CONLON: Madam, I rise on a point of order. I have been listening for 20 minutes to this amazingly clownish diatribe. Can we talk about the bill? Is this fellow putting on the record—

The Hon. W.A. Matthew: What's the point of order?

The Hon. P.F. CONLON: —that he believes we—

The Hon. W.A. Matthew: What's the point of order?

The Hon. P.F. CONLON: Shut up, stupid.

Members interjecting:

The ACTING SPEAKER (Ms Bedford): Order! Just a minute. Minister, what is your point of order?

The Hon. P.F. CONLON: My point of order is this: can the man talk about the bill before the house? We would like him to talk about the bill before the house. It does not seem very smart to me.

The ACTING SPEAKER: The member is straying and should come back to the content of the bill.

Ms Chapman: Straying? He's right on the point.

The ACTING SPEAKER: Does the member for Bragg wish to dissent from the chair?

The Hon. W.A. MATTHEW: Had the minister been listening before he ran in from the gallery and sat down he would have heard me referring specifically to the bill. The *Hansard* record will show that I was doing that as he came in. The *Hansard* record will show it: it is there. As I was saying, the minister has been floating the notion around that he has a plan. He has a plan to solve the electricity price problem, and the plan is this bill. That is what he is saying his plan is. He even revealed that fact in the introduction of his second reading speech, where he said, 'The government is again delivering on a key energy commitment.' This is not delivery of their key energy commitment. Their key energy commitment was a very simple one—

Mrs Geraghty interjecting:

The Hon. W.A. MATTHEW: The member for Torrens seems to need to be advised what the key energy commitment was that the minister referred to in his second reading speech. The Premier put out a pledge card. That is where their energy commitments were. It was letter-boxed to South Australians:

> My pledge to you. Mike Rann, Parliament House, North Terrace, Adelaide. Labor, the right priorities for South Australia.

That is what the electricity pledge was on. On the reverse side of that card, under the heading, 'My pledge to you', is pledge No. 2:

> We will fix our electricity system and an interconnector to New South Wales will be built to bring in cheaper power.

That was their pledge. Of course, the interconnector has not been built, for reasons that we do not need to repeat in this chamber today. It has not happened—

The Hon. P.F. Conlon: No, you wouldn't want to repeat it, would you, because you wrecked it. How is your Murray-Link going?

The Hon. W.A. MATTHEW: I have dealt with the minister's diatribe before on this matter, and there is no point doing it again today. He knows what the facts are. If he does not, he is incompetent. He should know what the facts are. Cheaper power: that was the Labor promise. The minister said in his second reading speech: 'The government is again delivering on a key energy commitment.' Where did the 'again' come from in relation to electricity prices? It has not delivered at all. There is nothing in this bill that will give

South Australians the commitment they deserve. There is nothing in this bill that will give South Australians cheaper electricity prices; not one single thing. The minister has appeared on programs such as Leon Byner's program and referred to this bill. In referring to this bill on that program he said—

Mr O'BRIEN: Sir, I rise on a point of order. The legislation deals with the setting up of a national structure, and the legislation that will go through this parliament will go through every other parliament in the nation. When it is discussed in Victoria, New South Wales and Queensland, they will not be talking about South Australian electricity prices. The debate is irrelevant and repetitious. I seek the direction of the Acting Speaker to draw the member back to the substance of the bill.

The ACTING SPEAKER: In actual fact, the chair was discussing the relevance as the member for Napier rose to his feet. I ask the member to make his remarks relevant to the bill before us.

The Hon. W.A. MATTHEW: Madam Acting Speaker, you make my point for me. The point is your minister—the member for Florey's minister—has been out there in the media saying that this bill we are debating now, for the benefit of the member for Napier, is a bill that will do those things. The member for Napier is getting on his feet and saying it will not. Madam Acting Speaker, you are saying that it will not. I agree with you: it will not. But the minister is out there peddling this nonsense saying it will. Madam Acting Speaker, it will not: you make my point. Thank you. I agree with you: this bill will not do that.

The ACTING SPEAKER: The chair does not know what to do.

The Hon. W.A. MATTHEW: What the bill does do, Madam Acting Speaker, if you can cast aside your bias from the chair—

The Hon. P.F. CONLON: Point of order, Madam Acting Speaker: the member has just plainly reflected upon you in the chair.

The ACTING SPEAKER: He has earlier as well. The chair is ruminating on it, and if he goes much further—

The Hon. P.F. CONLON: Madam Acting Speaker, he has just accused you of bias. He should apologise immediately and withdraw.

The ACTING SPEAKER: He has been having a go for the last five minutes. The chair wishes that the member would not reflect on the chair and asks the member to get back to his debate, which we are all listening to, in the hope that it will be finished soon.

The Hon. W.A. MATTHEW: Thank you, Madam Acting Chair. It has certainly never been my desire to reflect upon the position of the chair.

The ACTING SPEAKER: Is the member misleading the house?

The Hon. W.A. MATTHEW: It was never my desire to reflect on the position of the chair.

The ACTING SPEAKER: Yes, you were.

The Hon. W.A. MATTHEW: What effectively will we will be left with if this bill passes in its unamended form is an interesting conglomeration. This bill is supposed to be producing a more streamlined electricity regulatory regime. When this bill passes nothing will change in relation to pricing, unless the minister wishes to hand over those powers. We will still see pricing controlled in New South Wales by IPAR; in Victoria, the Essential Services Commission; in South Australia, the Essential Services Commission of South Australia; in Queensland, the Office for Energy; in the ACT, ICRC; in Tasmania an organisation known by a wonderful name for Tasmanians, OTER; in the Northern Territory, UC; and in WA, ERA. Well, none of that changes. They will still be setting prices, so South Australians are still stuck with the prices they have got.

However, retail and distribution, which is presently regulated by the states and territories, will change. That will change for only those jurisdictions that are within the national electricity market; so excluding the Northern Territory and Western Australia. It is intended that those powers—and I say that carefully—be transferred across by 31 December next year. Of course, for that to occur, it will require the ministers in each of those jurisdictions—New South Wales, Victoria, South Australia, Queensland, ACT and Tasmania—to agree to transfer across those powers. I have put to federal bureaucrats, 'What happens if they don't? What happens, if for very good reasons, one, two, three or more ministers say, "We're not going to do it." Is there provision to ensure that, at least, in part the new bodies can start their role?'

The advice that came back to me was that it does not specifically provide for it, but it does not specifically preclude it. Therefore, they expect that even if one jurisdiction only is ready to transfer its powers by the deadline of 31 December 2006 then they may be able to proceed with it. Agreements on a national framework still need to be developed for the transfer. If the time line we have seen out drawn out is any indication, I think it is a fair bet we will not have every state in Australia ready to transfer everything over by 31 December 2006. In fact, I think it is a fair bet there might not be anyone who is ready by 31 December 2006 to transfer across their powers.

We will also see the Australian Energy Regulator pick up transmission and wholesale pricing, as well. That also is within that same time frame. The competition regulation presently with the ACCC will stay with the ACCC. So a very complex regulatory regime is to be set up in a short time. If history is any indication, I simply do not believe for one minute that that will happen.

In fact, I have to say that the federal bureaucrats in marketing this to energy companies have been saying in their brief that this bill 'does not (with the word 'not' underlined) change any current state functions'. The bill itself changes nothing. Effectively, that is what they are saying to market participants and states. They are saying, 'Look, if you pass this bill, it's enabling legislation. It sets up a framework. All the detail is yet to be put into it. The ministers have got the power not to transfer anything across. It does not change any state functions at all.' That is the basis on which it is being sold. When you get those sorts of assurance it is worth looking further in the level of detail. As I indicated, the way in which we are seeing the Australian Energy Regulator handle its position within the ACCC, I believe is some of the devil in the detail that needs to be carefully worked through.

The stakeholders' concerns that have been put to us look at information sharing between the Australian Energy Regulator and the ACCC—and I will cover that in some detail later. There are concerns with the penalty regime. Members would not be surprised to hear me say that I am not fussed if people think penalties are too high. I am an advocate of tough penalties for the industry, anyway—and was during my time as minister. I have no concern if people think penalties are too tough. I am comfortable with that. Also, concerns have been put to the opposition about environmental

sustainability. I will put some of those details into the record, as well, as I cover some of the concerns.

Amongst all those things, a few other things are provided by this bill. A reliability panel is provided for establishment of the national electricity code, but under the new National Electricity Law the obligation to establish the reliability panel is imposed as a statutory obligation on the Australian Energy Management Commission. The reliability panel's functions, as set out in the National Electricity Law, include things such as monitoring, reviewing and reporting on the safety, security and reliability of the national electricity system, as well as performing other functions relating to power systems' security and rules. Rights of review are provided. The new law provides for judicial review of decisions, and the associated conduct of the Australian Energy Management Commission and NEMMCO under the law and the rules. Any person whose rights are affected by a decision of either of these bodies can apply to the court for judicial review of that decision. Further, some decisions of the energy regulator will be subject to judicial review under the Commonwealth Administrative Decisions Judicial Review Act 1997.

During the committee stage of the bill we will look at some of those issues. Certainly, some stakeholders who have contacted the opposition are concerned that, as a consequence, there may be greater judicial involvement in reviewing some decisions. At present, some of those things can be resolved without going to that step. Certainly, we would not want to see judicial review introduced where commonsense negotiation can avoid that part of the process.

I will be interested to hear the minister's views as we work through some of those aspects of the legislation. There are a number of important changes in relation to enforcement of the new law and the regulations made under our National Electricity South Australia Act 1996 and the National Electricity Rules. In particular, the law provides that, generally, proceedings for a breach of the rules can be brought only against the person who is a relevant participant. A relevant participant includes registered participants and the National Electricity Market Company—in other words, people who are presently bound by the National Electricity Code as it stands.

Further, the law provides for additional categories of persons to be prescribed by regulations as 'relevant persons'. My federal colleagues are claiming that—certainly at least initially—this power will be used only to ensure that the persons who previously had been bound by contracts to comply with the National Electricity Code can now have the rules enforced directly against them as the law. I would like to explore with the minister during committee a little more about how he sees this working.

It is important that this aspect of the new law works correctly. I would be interested to receive the minister's learned response as to how he sees this occurring in practice. Under the new regime only the Australian Energy Regulator will be able to bring proceedings for a breach by a relevant participant of the new National Electricity Law, the regulations or the National Electricity Rules. Information sharing (and I have touched on this briefly), is of particular concern to companies. What will occur is that the Australian Energy Management Commission, the Australian Energy Regulator and the ACCC are empowered to share information that they obtain with each of the other bodies. In other words, the regulator can move information over to the energy management commission and they can both move information over to the ACCC; or, as I indicated, to the Australian Energy Regulator who, by my assessment, for all intents and purposes is part of the ACCC, anyway. They will be empowered to share information with each other.

We are told that that is where the information is relevant to the function of those other bodies. Who determines that relevance? Who determines how relevant information sharing may be? The government claimed that that information will be shared on a commercial in confidence basis, because it could be information that certainly comes within that category. It claims that everything will be treated as commercial in confidence and that no-one need worry. When bureaucrats tell companies, 'Trust us, trust us. We are here from the government. We are here to help you. Everything will be in commercial in confidence. It does not matter that a piece of paper you give to us could have serious ramifications for your company if it gets into the wrong hands. This is all commercial in confidence and we, as the friendly government, will make sure that nothing harms you.'

That has not provided comfort for the energy companies that trade in this market. They are very concerned about the close relationship between the energy regulator and the ACCC. Some of them have even gone so far as to say that the relationship between the Australian Energy Regulator and the ACCC makes their position untenable; and, I must say, I think they put forward a valid argument. A number of bodies have contacted all members of parliament in relation to the National Electricity Law and environmental issues. A number are saying, 'Well, the law does not expressly advocate anything on behalf of the environment, and it should be there.'

Certainly, it is my understanding that this was not the intent of the legislation. As I have detailed, it is a facilitating and empowering legislation. It helps set up the body but, nevertheless, these companies have provided detailed concerns to the opposition. In fact, I know that the Total Environment Centre has written to at least every member of the lower house (perhaps it has done so with the upper house members) urging them to vote against the amendment bill as it currently stands. It claims that the bill has deep flaws because it effectively locks out renewables, encourages wasteful consumption and ensures the escalation of greenhouse emissions.

As I said at the outset of my address this afternoon, I believe that, in a democratic institution, it is vital that the views of all stakeholders are put on the record. These are not views that I necessarily share, but I believe that it is important that these groups have a forum in which to exercise their views, because they are expressly about this bill. They have gone to the trouble of writing to all members of parliament. In fact, the Total Environment Centre in New South Wales has sent, not once but twice, a very detailed submission to all members expressing its concerns about the bill.

Also, it sent all members a further package. Interestingly, the further package purports to have the endorsement of a range of groups, which includes the Council for Social Services of New South Wales, the Queensland Consumers Association, the World Wildlife Federation, the Conservation Council of South Australia, the Climate Action Network of Australia, EDO (New South Wales), Environment Victoria, ACTCOSS, ATA, the South Australian Council of Social Services, the Australian Conservation Foundation, the Moreland Energy Foundation, the Public Interest Advocacy Centre, the Nature Conservation Council of New South Wales Incorporated, TASCOSS, the Tasmanian Environment

Centre, CLCV, Queensland Conservation and the Consumers Federation of Australia.

These views are purported to be on behalf of a whole range of people, and the chief executives, coordinators or managers, whatever titles those people might have, were included in that. The member for Torrens indicates that she has read it, and I am pleased that she has done those groups the courtesy they deserve by reading their very extensive contribution. Any group that submits to members of parliament a 75-page document of concerns and things for inclusion in the bill is a group that I believe deserves to be listened to. While members of parliament may not agree with those viewpoints, I believe they are important to take into account.

They make many valid points in terms of things that they wish to have recognised in electricity provision in Australia. However, I am not convinced that this bill is the appropriate mechanism for such change, although I commend them on their initiative to make members of parliament aware of their important views and aware of the vital role of sustainable energy within our country. It is an energy form that is increasing dramatically, particularly in South Australia, in its input into the grid, but this legislation is not the mechanism for a lot of their changes to occur. They do make a number of points in relation to some of the detail and workings of the bill, and I will certainly take the liberty of putting some of their questions to the minister during the committee stage of the bill.

The regulations that have been put together—and the opposition obtained a copy of those in draft form late last week—heavily relied upon by-law. In fact, the scope of the new National Electricity Law is expanded in its dependence upon regulations, and it is for that reason that many of the stakeholders were concerned that they had not had a reasonable opportunity to examine the regulations in draft form and to provide comment, at least, with the knowledge that, if this bill passes this place and the other place, that would not occur until about the middle of April.

The Hon. P.F. Conlon interjecting:

The Hon. W.A. MATTHEW: The minister indicated he thought I was supporting the bill. I expect it will go through, although I cannot pre-empt what his colleagues will do, but the Liberal Party will not be opposing the bill. Assuming that it goes through those processes, I expect it will be through both houses by about the middle of April. That at least gives some further time for stakeholders to examine the draft regulations and to come back to ministers to express their concern and have that concern addressed, at least in part. Similarly, the time between the bill going through this house and going to the upper house gives stakeholders further opportunity to raise their concerns about the bill. I encourage them to do that at a federal level and with all jurisdictions, to bring about further change if they wish that to occur.

There is certainly the mechanism for that change to be provided by members, even in the other place, if necessary, and then for the legislation to go back to ministers of all jurisdictions for further consideration. I remain concerned that the industry has not had extensive consultation, but they do at least have a few more weeks up their sleeve and they have been advised of that. One of the concerns expressed to me on behalf of electricity transmission owners relates to the breadth of services potentially subject to the access regulation under this bill. They are concerned that, as no access framework has been put in place, they are not given any certainty.

The bill as it stands allows for access to be granted to any service that can be provided by means of a transmission system. That potentially includes services that are contestable and subject to market competition, and not currently subject to revenue or price regulation under the national electricity code. Examples of these include connection services that are provided by means of contestable assets. In many cases, these services are provided under long-term contractual arrangements after marketplace selection by the proponents, or other services that transmission networks are capable of providing. Telecommunication services stands out as an obvious one, in country areas, particularly, where there is competition by large telco providers. At the moment, the code does not include those things.

Personally, I would not see the code as being necessary to cover those things. However, because the scope is so broad, there is potential for access to a far greater breadth of scrutiny under the auspices of this bill than is presently there. Naturally, I have checked that further with my federal colleagues, and I have been assured that there is no proposal to regulate these types of services in this way. I accept that proposal on face value. Of course, that does not mean that they will not be deemed regulated in the future, and that is the dilemma. When you provide a broad scope of that nature, you run the risk of opening the door in the future.

It concerns me that I am now being told by electricity transmission owners that this has the potential to introduce risks they find are just not acceptable to them as individual companies. They believe they are open to other parties in other marketplaces, and it is inconsistent with the premise on which national electricity reform was sold to the market. I remind honourable members that the way in which this reform was sold to the market is that changes, other than those in relation to revised governance arrangements, would be merely minor and inconsequential. That is something that has been assured repeatedly by the bureaucrats. This aspect of the bill appears to be a lot broader than that, and I would be interested in the minister's response to that concern. I would be very surprised if he has not been lobbied by stakeholders in relation to this same issue. They are probably things that can be remedied with simple changes to the bill. However, as I said from the outset of my address, I am very conscious of the fact that, if this house or the other place makes changes to the bill, the minister is duty bound to go back to his interstate ministerial colleagues for endorsement of changes that are so made.

So late was the consultation in relation to this bill that issues were still being raised as recently as 1½ weeks ago. The bill had been introduced into the house for debate and, as recently as 1½ weeks ago, companies were going to officials and saying they were not satisfied and that they had had no response to some of their concerns. I point out that a lot of concerns were raised and, in some cases, those concerns were addressed. So, there was response to the consultation. It was not as though there was not enough time for them to be consulted. When they did raise things, they were not addressed at all. Some things were picked up, and there were some minor changes.

The problem is that the opportunity for return dialogue was limited. In some cases, when changes were rejected, no valid reasons were given for the rejection. Stakeholders believe that, if there had been a proper, constructive consultative process so that the companies could work through those things that had been rejected, those changes might have been taken on board later. I was concerned to find that meetings

were occurring with officials 1½ weeks ago, where concerns were still being put forward. There was even a paper dated 16 February which addressed the services for which access could be sought. It went into the melting pot and, again, that has not been responded to appropriately. How could it be; the bill had already been introduced into this house. As far as the federal bureaucrats, in particular, were concerned, their involvement in the process at that time had changed.

There are a number of concerns in relation to particular clauses of the bill that have been detailed to me by market participants. It would probably be more constructive if I hold them over and ask the minister questions about them as we move through the detail in the legislation. A variety of concerns have also been raised about the language used in the bill, some of which is particularly loose. I will not say that it is unique because it is language that is certainly used in other pieces of legislation, not only federally but also in this state. However, because it has broad meaning in its interpretation, stakeholders are concerned that it does not give them certainty.

By way of example, there are provisions in the bill relating to transmission revenue regulation. Section 33 provides that the Australian Electricity Market Commission is required 'to have regard' to any statement of policy principles made by the Ministerial Council on Energy under section 7 of the bill. Stakeholders are concerned that the requirement that the Australian Energy Market Commission only have regard to any relevant statement leads the Australian Energy Market Commission to determine what weight it should give to the relevant statement. To take that further, it believes that this effectively allows the Australian Energy Market Commission to decide, through a decision, to give a statement of policy principles little weight, or not to give effect to the statement. Understandably, that sort of broad interpretation makes the participants nervous. It is that type of broad language (and I will question a number of other examples during the committee stage) which has been introduced which has made a number of the participants very nervous and very concerned about the way in which this is working.

As I have said, there is a lot of goodwill amongst energy stakeholders in relation to this bill. They want to see legislation passed; they want to see the legislation being effective; they want to see effective regulations; and they want to see effective National Electricity Law. However, that does not happen without proper consultation. Where you have concerns of the magnitude and number that have been put to the opposition in the very short period of consultation that was available, it is reasonable to expect that there would still be further concerns if they had more time. Hastily rushed law is poor law. I am sure there will be those who will say, 'This has taken a long time to get it to this stage.' However, if it is hastily rushed and there is poor consultation, it finishes up being poor law. It has to be poor law. I believe the minister has an opportunity, if he desires, to say that the urgency is not there; to say to Canberra, if this urgency is coming from there, that we are not going to be pushed into rushing this legislation through while there is so much stakeholder concern, that we want that stakeholder concern addressed and responded to, that we want that stakeholder concern answered and that we want changes made, if necessary, to ensure that we finish up with better law.

As I indicated, the opposition will not oppose this legislation—I expect it will get through this house—but we will carefully consider what the minister puts on the record as we go through the committee stages of the bill, we will carefully consider the minister's response to the second reading debate, and we will carefully consider any further information he may provide at the third reading wind-up. Decisions in another place will be taken, I would expect, based on the minister's considered response, and those responses will then go out to industry. We will obtain their response to that and it may be that that will provide the federal government with an opportunity to further consider whether in fact their consultation has been unsatisfactory, for the Ministerial Council on Energy to determine whether their consultation has been inadequate and to take further comment on board, because there is no doubt that we have some very aggrieved industry participants out there at present in relation to this legislation.

As I indicated, I will be referring to a lot of things as I work through the committee stages of the bill but I would like to put on the record some of the concerns of the broader stakeholder representative groups rather than individual companies or individuals in relation to this, and I turn first to the issue of the market objective. As I said, it is encouraging to see that we now have a market objective that is largely an economic objective (and I have already indicated the reasons for that) but in the case of the Energy Supply Association of Australia they have indicated that while they support the development of a single composite market objective they consider that there is significant risk that the market objective might not be interpreted in the same manner under judicial review as it would be in the Australian Energy Management Commission's decision-making process. They advocate that judicial review needs to play an effective role in ensuring accountability—and of course it does—in relation to decisions under the new National Electricity Law and the operating of the rule change process. They say that this potential difference in interpretation would reduce the ability of judicial review to provide sufficient accountability.

The Energy Supply Association of Australia purchased legal advice from Gilbert and Tobin Lawyers and obtained their viewpoint about a number of things, and I would like to put the response they received in relation to this particular concern on record. They were advised:

> If the interpretation of the composite national electricity market objective is left to a judge having regard to the plain and ordinary meaning of the term, there is a risk that over time there will be subjective and conflicting interpretations. An economic perspective will bring an intellectual rigour to the interpretation which may otherwise be lacking. We would recommend that, as a minimum, the second reading speech make clear legislative intent is that the national electricity market objective is to be given an economic meaning.

Certainly, that is my understanding and that is what the federal government tells me. I did go the minister's second reading speech and I noticed that he also uses that terminology, and I bring it up again so that it is at least on the record during this debate that the legal advice is clear that there be explicit mention that the national electricity market objective is to be given economic meaning.

The association has a second concern in relation to the judicial interpretation and that is to the admission of part of the market objective, but I will come back to the minister in the committee stages of the bill and question him further about that. I mentioned earlier that there are investigation and enforcement provisions, and the Energy Supply Association of Australia claims that these appear to be:

> . . . unnecessarily draconian and go well beyond the current National Electricity Law arrangements and equivalent provisions applying to other industries. These are also inconsistent with the

stated goal to introduce the revised National Electricity Law that protects the existing substantive rights, obligations and liabilities of parties.

This concern is consistent with a number of others who have expressed concern about enforcement provisions. As I indicated, I am not particularly sympathetic with some of the views that I may be detailing here this afternoon but I believe that in our democratic process it is important that people have the opportunity of airing their views in the parliamentary forum.

They go further with the following comment, which is fairly severe, and say:

There is no compelling evidence to justify one sector of the Australian economy being subject to more aggressive investigation and enforcement provisions than the economy more broadly. We have been advised that, in combination, the warrant powers, the power to issue infringement notices, and the civil penalty regime exceed the enforcement investigation powers of other comparable commonwealth agencies.

That is a serious comment. Clearly, any industry that will be subjected to vigorous scrutiny will express its viewpoint about that. For my part, I am fairly comfortable for them to be vigorously scrutinised, and I would argue that energy is a basic necessity. That is the compelling evidence to justify one sector of the economy being subjected to a more aggressive investigation and enforcement provisions. Nevertheless, a representative body points out that this is the case, and that is a matter of fact as part of the bill before us.

I mentioned earlier the changes to the constitution of the Reliability Panel and, essentially, the Australian Energy Management Commission will have an ability to remove end user representatives at any time for any reason. That is not provided for specifically in the bill but in the law that becomes enacted as part of the bill. Madam Acting Speaker, you will recall that I indicated that there are almost 700 pages of National Electricity Rules. The powers of the Australian Energy Management Commission will be facilitated, and end users are concerned—justifiably, in my opinion—at the power to remove end user representatives at any time for any reason. That is a quote from the rules: 'at any time for any reason'. Stakeholders validly argue that the ability to remove without justification end user representatives is clearly in complete contradiction to the principles of representation, accountability and good governance, as well as to the market objective itself. It had been a requirement that reliability panel members were independent system operators; that has been removed. Some stakeholders are concerned about that, and I believe for valid reasons. Some have submitted to the opposition that at least two representatives for end users are required, and there has been some conjecture over how the vote of that panel may work. Again, I will take the opportunity during the committee stage to ask the minister some questions in relation to this.

I am going through some more notes to make sure that I represent fairly the views of the wide range of stakeholders who have contacted me. I am sure that neither my colleagues nor I, nor for that matter any other member of this house, would want to place any stakeholder in a situation where their considered views were not fully taken into account during the debate in this place. As I do so, I come across the last organisation that I indicated I would provide some response for. A number of concerns have been put forward by the National Generators Forum. I could work through these now; some of them are in detail that is probably best served, in the interests of time, in working through in the committee stage of the bill. For example, concerns include the extension of the liability to employees of stakeholders and the extension of definitions of 'an officer' under the act. I think that it is probably best if I work through that in the committee stage.

In working through all that, members would have gauged that the opposition expects the committee stage to be fairly lengthy; a number of things need to be covered. At the end of it, when this bill is through, we will all finish up with what energy ministers around Australia, including our minister here and the federal government, believe will be our new streamlined national electricity market. We will finish up with the Council of Australian Governments (COAG) sitting above the Ministerial Council on Energy and, underneath that, we will have the Australian Energy Market Commission. We will have the Australian Energy Regulator that sits within the ACCC, and I would argue for all intents and purposes that it is part of the ACCC. We are going to have the market operator NEMMCO, and we are going to have all the market participants and consumers at the other end feeding up into those organisations. Back here in South Australia we are still going to have our Essential Services Commission undertaking the same role that it undertakes today. It will undertake that same role for quite some time. It may or may not transfer over to the new body some of its powers by the end of 2006. It could well be that in five years' time or 10 years' time, if this thing is still moving on at the rate it is, there could be a stand-off between the states and the commonwealth over the way in which this occurs.

If this goes according to schedule, by 31 December next year the minister will preside over the transfer of functions, in part, from the Essential Services Commission. This is for electricity only, because the gas bill—I am sure, Madam Acting Speaker, that you will be very pleased to know—will be the subject of future legislation. I am sure that you in particular just cannot wait for that legislation to come here because I know how intent your interest is in the issue of gas, and I am sure that you will follow that debate with close interest. So, the gas part of that regulation will stay with ESCOSA, it is only the electricity component that will pass across. Then the minister may, if he wishes, hand over the price regulation, but as I indicated that cannot occur before the middle of 2007. So, for South Australians, despite the fact that the minister has been before the media saying that this bill is the delivery of a commitment, it is part of his leadership in the national forum, it has changed the way this dog's breakfast of a market works—

The Hon. P.F. Conlon: When did I say that?

The Hon. W.A. MATTHEW: I am not quoting the minister, I am paraphrasing. He has done it on 5AA a number of times—

The Hon. P.F. Conlon: Verballing.

The Hon. W.A. MATTHEW: If he needs a memory jog, and just so that he can have the precise wording, the first sentence of the introduction to his second reading explanation states:

The government is again delivering on a key energy commitment through new legislation to significantly improve the governance arrangements for the national electricity market, for the benefit of all South Australians and all Australians.

That is a very confident statement, minister, and I will leave you to subscribe to that, and to stamp your thumb print next to it because I do not share the minister's confidence that that is what it will do. I do not deny that there is a need for change but the minister has been out there saying that this is going to provide an improved market, and that this is going to make

things better for all South Australians. Well, it is not going to make things better for the minister because for three years he has presided over a portfolio that has failed to deliver a key promise; the key promise is cheaper electricity for all South Australians.

To deliver that key promise by 18 March 2006, the minister must preside over the reduction in electricity prices by more than 25 per cent; anything other than that is a broken promise. If the minister can deliver that he deserves full credit. I think that there is a far greater likelihood that the minister can walk on water than deliver that commitment, or more likely—

The ACTING SPEAKER (Ms Bedford): He can; I've seen him do it!

The Hon. W.A. MATTHEW: I am glad, Madam Acting Speaker, that you believe that he can walk on water. I do not believe that this can be delivered. So, this government will stand before South Australians having failed to deliver, having made a promise that it cannot keep, having made a promise that it never could keep, having made a reckless promise, and a deceitful promise. I am sure that South Australians will not sleep better once this legislation is passed, despite the minister's rhetoric in his second reading explanation.

Mr O'BRIEN (Napier): This bill seeks to improve the governance arrangements for the national electricity market—

Mr Scalzi interjecting:

The ACTING SPEAKER: Order!

Mr O'BRIEN: —for the benefit of all South Australians and all Australians. South Australia is the lead state on this matter. The bill will make important governance reforms to the national electricity market by separating high-level policy and direction, rule making and market development, and economic regulation and rule enforcement. By doing this, the bill will strengthen and improve the quality, timeliness, and national character of the governance and economic regulation of the national electricity market. In turn, this should lower the cost and complexity of regulation facing investors, enhance regulatory certainty, and lower barriers to competition. The reforms within the bill have resulted from a consultation process with industry participants and other stakeholders. Those who chose to make submissions were also given the opportunity to make an in-person, verbal presentation. In total, 32 written submissions on the draft version—

Members interjecting:

The ACTING SPEAKER: Order!

Mr O'BRIEN: —of this bill were received and 15 in-person, verbal presentations were made. The bill sets out the nature of the national electricity market which is being regulated and provides clear guidance to the national market objective. The bill clearly states that the objective of the national electricity market is to promote efficient investment in, and efficient use of, electricity services for the long-term interests of consumers of electricity with respect to price, quality, reliability and security of supply of electricity, and the reliability, safety and security of the national electricity system.

This single objective that comprehends a number of specific components and elements has the advantage of conveying the message that the long-term interest of consumers is to be served through a composite of efficient investment in, and efficient use of, infrastructure and capacities, having regard to price, quality, reliability, safety and security of electricity services.

The market objective, therefore, consists of an economic concept that recognises that the long-term interests of consumers of electricity requires that the economic welfare of consumers over the longer term is to be maximised. If this economic concept is successfully adhered to, the long-term interests of consumers in respect of price, quality, reliability, safety and security of electricity services will be maximised. The bill makes important changes to the power and administration of the following bodies: the Ministerial Council on Energy (MCE), which is to handle high-level policy direction; the Australian Energy Market Commission (AEMC), which is to administer rule making and energy market development; and the Australian Energy Regulator (AER), which is to look after economic regulation and market rule enforcement. These changes will empower governments and enshrine their role into legislation, thereby allowing each body to have a clear and direct role in the regulation of the national electricity market.

The bill expands and strengthens the power of the Australian Energy Market Commission (AEMC) and the Australian Energy Regulator (AER). These new bodies take over the functions of the national electricity code administrator (NECA), which is to be dissolved. Furthermore, the bill expressly permits these new bodies to share information with each other, as well as the Australian Competition and Consumer Commission (ACCC) so that the degree of duplication and collection costs can be minimal.

The bill also limits the degree of duplication by ensuring that only one organisation (the AEMC) is responsible for changing the national electricity rules, rather than the current arrangement where more than one body is involved in the implementation of such changes. Under the new National Electricity Law and rules, the MCE will not be engaged directly in the day-to-day operation of the energy market or the conduct of regulators. Instead, the function of the MCE will be to give high level policy direction in relation to the energy market. The MCE will perform this role by directing the AEMC to carry out reviews and report to the MCE in relation to market development issues, initiating proposals to change rules that relate to the national electricity market and publishing statements of policy principle in relation to any matters that are relevant to the existence of the AEMC.

It will also be required that such statements are received by AEMC and then published in the South Australian *Government Gazette* and on the AEMC's web site. The AEMC has been established as a statutory commission under the Australian Energy Market Commission Establishment Act 2004 (South Australia). If this bill has smooth passage through this parliament—and the opposition has just indicated that this will be the case—the AEMC will have rule making, market development and other functions in relation to the national electricity market. Some of the principal functions of the AEMC include:

- making and amending the rules. Thus the AEMC will be required to manage the rule change process and to consult and decide on rule changes proposed by the MCE, the reliability panel or any other person;
- conducting reviews as are directed by MCE; and
- conducting reviews into the operation and effectiveness of the rules or any other matter relating to the rules and recommending to the MCE such changes to the rules and recommending to the MCE such changes as the AEMC considers appropriate.

Furthermore, when performing its functions, the AEMC will be required to have regard to the national electricity market objective, as well as any relevant MCE statement of policy principles. The AER will be responsible for the economic regulation of electricity transmission services in the national electricity market jurisdiction, and to this end will take over the ACCC's functions in relation to the regulation of revenue and pricing for transmission services. Giving the AER control over the economic regulation of electricity and transmission services will allow for greater certainty for the industry and consumers in relation to pricing principles, which now will be enshrined in the law. Some additional functions of the AER will have under the bill include:

- Enforcement: the AER will be able to authorise officers to obtain search warrants and require a person to provide information if it has reason to believe that that person has information required for the performance or exercise of the AER's functions and powers.
- Compliance monitoring: this will ensure the verification and substantiation of rebids.
- Economic regulation: the AER will also be responsible for the economic regulation of electricity transmission services and systems in the national electricity market jurisdictions and, to this end, will take over the ACCC's functions in relation to the regulation of revenue and pricing for electricity transmission services.

The national electricity market will continue as an open access market that does not discriminate between fuel sources. Thus there will continue to be opportunities for all sources of power generation to enter the market, including environmentally friendly sources of energy such as wind and solar power. Under the new regime, the AER will be empowered to enforce the National Electricity Law regulations and rules through applying to a court for an order declaring that a registered participant or a person prescribed by the regulations is in breach of the National Electricity Law or regulations or the rules. If a breach is found by the court, the court may also order the person to pay a civil penalty, cease the breach, remedy the breach or implement a compliance program. The court will also have the power to grant an injunction to stop behaviour which breaches or is intended to breach the new National Electricity Laws, regulations or rules. The bill also enables the AER to issue an infringement notice for the breach of any civil penalty provision by a registered participant or a person prescribed by the regulations. The amount of an infringement penalty will be $20 000 or a lower amount prescribed for the particular civil penalty provision.

I conclude by commending the minister and the government for introducing this lead legislation, which will make important governance reforms which, in turn, will ensure the strengthening and improving of the national electricity market by way of economic regulation.

Ms CHAPMAN (Bragg): I oppose the bill.

The Hon. W.A. MATTHEW: Madam Acting Speaker, I draw your attention to the state of the house.

A quorum having been formed:

Mr HANNA (Mitchell): I will speak briefly to this bill on behalf of the Greens. This is complex legislation. It follows the legislation which passed through our South Australian parliament last year and which virtually set up a vehicle for the regulation of the national electricity market. This is the legislation which gives that vehicle something to do and tells it how to operate. It is extremely important that appropriate objectives are enshrined in this legislation so that the market is run not in a purely dry technical way but in a way that considers both the environment in which we live and the people in our community.

I will be moving amendments to the legislation on behalf of the Greens to ensure that environmental and social equity objectives are included in the legislation. It is essential that we set this legislation in the context of a broader need to look at energy supply and demand in our society. There is no mention in this legislation of renewable energy sources, and a variety of alternatives need to be explored: wind power, solar power and, perhaps, geothermal power—a range of other alternatives. The electricity market should not be looked at in isolation. It should be looked at with a full appreciation of the environmental impacts of running fossil fuel based electricity generation.

I will not say more at this stage because, from my point of view, the most important debate will come when we discuss amendments to put those alternative objectives into effect.

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

The Hon. G.M. GUNN (Stuart): This rather large bill has been virtually imposed upon us because, I understand, it is an agreement between the states and the commonwealth, but I have two areas of concern. The first is that we have set up these new advisory and regulatory committees, and I want to know why there was not more industry participation in them, as the people making these decisions can have an effect upon the production of electricity. My real concern is that we have to encourage the establishment of more base line power stations in South Australia. We need to find more sources of energy, therefore there has to be an economic incentive for people to do so.

We are aware that they have brownouts in Queensland, blackouts in Western Australia, and private enterprise is building two new power houses in New South Wales. We can have wind power, which makes everyone feel warm and cosy but, if you know anything about it, we are told it is the most expensive form of electricity. There is a need to maintain our base load capacity. NRG Flinders has done an excellent job in bringing on the old power station at Port Augusta, which will be fully operating in a few months' time, having spent in excess of $100 million bringing that station on line.

I have in my constituency the peaking plant at Hallett, and that was a good investment, but we need to continue to maintain our base load capacity. So, I have some concerns that we have been handed this bill, under which the states can hand over some of their powers. Will the minister explain whether the states can withdraw from this undertaking and take back the powers if they are unhappy with the way the particular entity is operating? If they start imposing foolish provisions upon the generating capacity or the people of South Australia, with bureaucratic charges and unnecessary regulation, can we withdraw from it and can we continue to go our own way?

In any of these things, I believe that there is a proper role for state parliaments. I believe we make better decisions here than we do if they are foisted upon us. Someone from Queensland or New South Wales is more interested in those states than they would be in South Australia. I start from a position whereby I am not keen on enhancing the powers of the commonwealth or handing over our powers. I understand

that it is necessary, now we have a national grid, to have it properly linked and have some sensible regulatory powers but, at the end of the day, my real concern is to make sure that we have reliable, regular sources of electricity at a reasonable price, because industry and commerce demand it, and we have to continue to increase our generating capacity. Therefore, I support the bill.

The Hon. R.B. SUCH (Fisher): As I understand it, this bill is a template that is being adopted by several of the states in Australia, therefore there is a difficulty if any member wishes to amend the bill. I would like to go back briefly to canvass the reasons why we are in the dilemma we are in. People have sometimes said to me, 'You're partly to blame for the privatisation of ETSA', and I guess I have to accept some responsibility, but I would like to outline a couple of historical details. At the time of the announcement of the decision to privatise ETSA, which has put us in a very difficult position subsequently, we were informed, as members of the Liberal government, that there would be a party meeting at 1.30.

At that meeting, the then Premier John Olsen said, 'I'm announcing the sale of ETSA at 2 o'clock: any questions?' That was the sum total of the consideration by the party at large of that issue. There was no detailed paper presented, but I understand—although I was not in cabinet then, having already been moved out—that cabinet was locked in on the argument that the Auditor-General was saying that the government needed to sell ETSA because it was too risky. I have spoken to the Auditor-General since, and he says that he has never, ever said that ETSA in government hands was too risky. What he did say was that there is a risk in any business enterprise being owned by government and that it is a question of managing the risk.

That is very different from saying that you have to get rid of something because it is risky. So, what we have is a consequence of an ideological obsession by some people in the Liberal Party at the time, although not all. The Hon. Stephen Baker who, in my view, is one of the best Treasurers this state has ever had, looked at the issue of selling ETSA and came to the conclusion that it did not stack up. That is why, during the Brown-Baker era, ETSA was never sold. With hindsight, I guess that many people would wish that it had not been. But we have gone from a situation where we had an organisation owned by the customers, which funded its own infrastructure—it was a monopoly but, ultimately, was subject to influence by the legislative political process—bringing in over $200 million a year.

Once that arrangement changed in terms of the state being involved with it, then the commonwealth was happy to pick up the income tax equivalent, because privately owned energy companies would have to pay company tax, which previously went to the state government. We found ourselves in a situation that was euphemistically called a national electricity market. I have done a lot of economics in my time and we still do not have a national electricity market. We have something that goes under that name, but a market is made up of multiple sellers and multiple buyers. We have never had that. What we have had, and what we still have in South Australia, to a large extent, is a variation of a monopoly or oligopsony, or whatever you want to call it. We certainly do not have a market in the absolute strict sense of what economists would call a market.

What we have ended up with is a bit of a dog's breakfast. We had political interference to stop the interconnector with New South Wales going ahead. As a member of the government, I can remember being quite amazed and frustrated, not knowing what was going on behind the scenes, and I can remember, as a member of the Economic and Finance Committee, being surprised when we discovered that the arrangement for the interconnector with New South Wales had been effectively torpedoed by the government of the day, essentially with the sole purpose of ensuring that the sale price of ETSA would be higher. No doubt, it did have that consequence. What we have inherited—and what we are faced with and what this bill is now, in part, trying to deal with—is the consequence of an ideological obsession, when ideology overrides commonsense.

We have seen electricity prices rise significantly in South Australia, and one could argue that there would have been some increase in price, anyway. We have always had a natural disadvantage in regard to generating electricity. The Playford government cleverly used coal from Leigh Creek, initially a very dirty process. However, over time, it increasingly improved at Port Augusta, so there were fewer emission problems and less pollution for the people of Port Augusta and elsewhere. South Australia did not have the natural advantages of accessible black coal, as is the case in New South Wales and Queensland, nor the somewhat higher grade brown coal in Victoria. Members who have been to New South Wales would have seen that they dig the black coal literally next door to where the power station is located and feed it straight in with a conveyor belt. We have never had that luxury in terms of our lower grade brown coal from Leigh Creek to Port Augusta.

So, over time, it was not surprising that we added to the generation of electricity by using natural gas. Some would argue that that is a very wasteful thing to do, because natural gas has a lot of alternative uses. Realistically, when you have a resource such as natural gas, it is likely that it will be used for a whole range of purposes. We use a lot of natural gas for generating electricity in a way many people would regard as expensive and somewhat wasteful.

I guess we have always had the potential for nuclear power. It is an issue which has been put on the agenda recently, at least in a discussion format, by the Leader of the Opposition. I think all topics should be open for discussion; I keep an open mind in relation to all issues. However, I cannot realistically see nuclear power being on the implementation agenda for some time, but, who knows, down the track, it could well be adopted as an energy source: South Australia certainly has the necessary raw material. However, the issue is a lot more complex than simply being able to dig it out of your own backyard. There are plenty of places around the world that are willing to sell uranium.

We now find ourselves increasingly moving into alternative energy. The member for Stuart indicated that industry and others are demanding more electricity. We have to ensure that, whatever the source of the electricity, we do not waste it, and that we have a focus on conservation. No generation has the right to waste natural resources, whatever their source, simply because it can be done at the time. Whether the energy is derived from alternative sources or more conventional sources, we should always have at the forefront of our focus the fact that we need to be efficient in the use of that energy and not be wasteful in any way.

Increasingly, we have moved into some alternative sources, such as wind energy. I have been a supporter of wind energy. However, I acknowledge that, if you get locked in at a fairly high level to wind energy, you can lock yourself into

a higher price energy regime. At the moment, generating power from wind energy is not cheap, and it is not likely to become cheap in the short term. There is also the issue of unreliability of supply because of the vagaries of nature. Another issue is having a grid that is extensive enough and of high enough quality to take advantage of alternative energy sources, which may not necessarily be close to where you want to use the energy. That is one of the disadvantages we have in South Australia. It is also a consequence of what happened with the sale of ETSA.

As I indicated earlier, the argument was that it was too risky for the government to own, but not too risky, presumably, for the private sector. The other argument, of course, was that it would get rid of state debt, but it did not get rid of debt. It transferred one form of debt to another form of debt, which is now picked up by the consumers of electricity.

An honourable member interjecting:

The Hon. R.B. SUCH: I did, and I acknowledge that. However, in hindsight, I wish that it had been a different outcome. In responding to the member for Bright, as he would know, particularly when one was a backbencher at the time, one does not have access to all the information and one operates, to some extent, on trust in the leadership in terms of the information that is provided. If the sale of ETSA had been in the context of and honestly sold in a competitive market, it would have been a different ball game and a different consequence. We did not, in effect, have an honest sale process. We had a dishonest sale process, in that there was no true market created and it was never intended that there be one, because the sale price of the assets was artificially inflated to get the highest possible price.

As I indicated at the start, when you are a backbencher and not privy to all the dealings, you are relying somewhat on the trust of the leadership and it does make one vulnerable. Hindsight is a wonderful thing, but I now regret that I helped in the sale of ETSA by casting my vote on the floor of the house. It would not have mattered as much if, as I say, the process had been genuinely honest and genuinely committed to a competitive market, rather than a rigged sale designed purely to artificially inflate the sale price in order to create the impression that the government was somehow getting rid of debt. It was not getting rid of debt: it was transferring the debt to consumers of electricity, particularly those who could least afford to pay, namely domestic consumers.

In terms of energy sources, in South Australia we have not moved that far down in terms of solar power although there is some limited commitment to that. The downside of solar energy is basically ugliness, in that a lot of large solar panels are likely to disfigure the countryside. It is fine if you have a small solar heater on your roof, but it is a different kettle of fish when you are trying to generate electricity on a large scale through solar power. It would be great to see some significant changes in the generation of energy through solar and other green sources over time, but I think people would be exaggerating if they thought that, in the short term, green energy was going to be our great salvation.

Some tremendous opportunities are coming through the development of nanotechnology. I make no apology for being an evangelist for nanotechnology, because in the not too distant future we will see some alternatives in terms of transmission of electricity as well as a whole range of manipulation of small particles and the technology that goes with that. We will see a whole new way of distributing and using electricity as well as all sorts of applications, and I would like to see South Australia a leader in that field. We are not at the moment, we are behind the pack, but that is not the fault of the Minister for Science and Information Economy. We have people doing research at the three universities here but we need to back that up with commercial applications. Some of the things that are possible as a result of nanotechnology are, to use a corny phrase, mind-blowing.

Will the substance of this bill achieve any significant benefit in terms of customers and consumers or in terms of price, quality, reliability, safety and security of electricity services? My honest answer is that I do not know; I hope it does. Will it make the so-called national electricity market more efficient? One hopes it will. Will it improve the quality, timeliness and national character of the electricity market? Once again, I hope it does. One of the things we must avoid is ending up with something that is overly bureaucratic, that becomes the heavy hand on an industry which has to be dynamic and able to change. We need a lot more investment in electricity generation and distribution and the paradox is that, politically, the push is to keep electricity prices down but that dampens investment because people invest where they are going to get a large and preferably short-term return on their money. Realistically, the pressure is on all governments throughout Australia to keep the price of electricity down which, in a way, works against those who want to invest and make money out of creating, generating and distributing electricity.

So, there is an inherent dilemma in this whole approach to providing electricity in Australia, for that part of Australia that can be in something approximating a market. As I say, it is a bit like the launch of a big ship: you wish her and all those who sail in her well—and I do so in relation to this bill—but I am not brave enough to be convinced that this is the answer to what Mr and Mrs Average are experiencing in their domestic dwellings at the moment in terms of high electricity prices. I think those high prices are likely to continue and hence the need for us to focus on using electricity wisely, conserving as much as possible and developing sound alternatives in regard to green energy.

I come back to my initial point. I think the tragedy that we in South Australia, particularly, find ourselves in with respect to being competitive is that hindsight shows more and more it was the wrong decision, given that it was a rigged sale process and that it was a market that was a market in name only. I think hindsight shows more and more that it was a very bad decision based on inadequate research and consideration and driven purely by an ideological hatred of any enterprise that was in the hands of government. The irony of that is that the Electricity Trust, as it was formulated, was in the hands of the customers. That was Playford's dream. The customers owned it and benefited from it. It funded itself and its infrastructure. Now we have a situation where many businesses cannot afford to get connected to the grid; shopping centres cannot afford to be connected. We are paying the price for what, in effect, was the folly of the Olsen government of which, sadly, I was a part as a humble backbencher, and I wish now that I had not been in that position of supporting what has been a retrograde step. However, I commend this bill and I trust it delivers what its creators hoped.

Mr HAMILTON-SMITH (Waite): I am happy to rise after the member for Fisher to disagree with some of what he said and to signal that I will support the bill. As we have heard from earlier speakers, the bill reforms the national electricity market—the NEM governance arrangements—by

conferring functions and powers onto two new bodies: the Australian Electricity Market Commission (AEMC), which was established under the Australian Energy Market Commission Establishment Act 2004, and the Australian Energy Regulator (AER) established under the commonwealth Trade Practices Act 1974. The reality is that we are here today because the nation decided to create a national electricity market back in the days of Paul Keating. The federal Labor government of the day, with the support of state Labor governments and Liberal governments, decided that it would go down the road of a national market with a view to ensuring that there were productivity gains for the families and businesses of Australia. We went into that with an open mind and with our eyes wide open but, from that day on, I think the die was cast in that, having gone for a national electricity market, we would ultimately have to go through a national regulatory process that separate state regulatory regimes, at the end of the day, would not adequately manage what is after all an integrated national market. That is the core reason for us being here today with this bill before us.

We can moan and groan about the sale of ETSA and the sale of our electricity assets—measures that were also taken in Victoria and were considered and argued for earnestly by the state Labor government in New South Wales but which were ultimately not carried through. We can moan about that but, irrespective of whether we had sold ETSA, I think we would still be here today as long as we were part of the national electricity market. I say to the member for Fisher, who spoke earlier, and to other members who have 'moaned and groaned' about the sale of ETSA, really you should be moaning about our entry into the national electricity market—not the sale of ETSA. I do not think it is any different—

The Hon. P.F. Conlon: You don't believe we should be in the national electricity market.

Mr HAMILTON-SMITH: I will come to that in a moment. I do actually. But I am saying that the core reason we are here today is because there is a national electricity market, not because we sold ETSA—that is inconsequential. In fact, in Queensland which, as we know, is beset by power supply problems where the assets are not privately owned, they are still facing the same dilemmas that we face as part of this market. In Western Australia, which is gracefully that far away that I think it is outside the market, they are facing enormous problems with electricity supply whilst in public ownership. I lived in New South Wales at a time when the power was being cut off in metropolitan Sydney when it was in public ownership because of the incompetent government of Neville Wran which had not built enough power generation. This was back in 1982-83. These problems are going to be there regardless of who owns the assets if you do not invest in infrastructure, if you do not plan or manage the asset and if you do not get it right. You are going to run into problems; it is as simple as that.

It really is inconsequential that the assets are now in private hands. I know that the minister and members opposite like to continue this lie—I call it that because it is a Labor lie—that all the problems of electricity supply in the world are a consequence of the sale of ETSA. This is the furphy and the argument that they carried. A cynic would argue, if you were a Liberal, that maybe it would have been interesting if we had actually lost that debate and the minister were here today wringing his hands wondering how on earth he was going to find hundreds of millions of dollars worth of taxpayers' funds to build new power stations, or if the minister were here repelling borders and trying to convince people in meetings as we just saw over land tax with hundreds of angry taxpayers, why he could not drop the price of power supply to homes. I am sure I know where all the roads would end were those assets still to be in public hands; they would end at the minister's doorstep.

Everyone would be saying, 'You own the assets. Why can't you drop the power price? Why can't you cop the loss? Why can't you wear it? Why can't you take the risk? We just want to keep our house power prices low.' It would be very interesting to see that. Of course, as well as that, the minister would be going into cabinet having to face the fact that money had to be found to service nearly $10 billion dollars worth of debt, because that would still be there too. I noted with great interest *The Advertiser* on 23 February 2005 when Basil Scarsella made the point publicly that the electricity sale delivered the AAA-rating and that the state's finances were rectified by the sale of the asset. I went out there along with a lot of other industry pillars saying the same thing. The minister knows that the sale of those assets got rid of the debt. The minister knows that if those assets were still owned and operated by him and his colleagues all the problems of power supply would be at his doorstep. This bill gives the minister an out. This bill means that the minister can now say, 'Not only am I not responsible for the cost of power because I do not own the assets, now I am going to flick off to a federal body the responsibility for managing the market here in South Australia, and ultimately for managing the retail price.'

The Hon. P.F. Conlon: Do you understand any of this?

Mr HAMILTON-SMITH: In fact, I understand it very well. I have read the papers and the bill with interest. Ultimately, it means that, in the fullness of time, a national body will manage the market and the government of the day will have the opportunity to virtually say, 'Well, look, it is beyond our control. We cannot step in and whack the price down. It is really in the hands of the national regulator. So, I am sorry, we cannot do much about it.' That is really where we are heading with this legislation. I have spoken on this before in the house on 3 June 2004, and I have also read with great interest media commentary on the subject. For example, I can recall articles in *The Australian Financial Review* on 27 July 2004, and more recently on 6 September 2004, where economists argue that the energy networks are better served in private hands around the nation, and it puts up very cogent arguments as to why the nation was right when Paul Keating made the decision to take us down the road of a national electricity market. Either way, the taxpayers were going to pay for the investment in and provision of power, either through their taxes and through the building of new power stations through a government-owned monopoly or through their electricity bill. We now have a complex myriad of different outcomes in each state.

The real test of the government's integrity on this whole question, in my view, and I have raised this in the house before, is that if it is the minister's view, and if it is the government's view—it is not our view, I hasten to add, because, after all, we did what we believed was right, we agreed with the national electricity market and we agreed that the sale of electricity assets was in the best interests of the state, and we acted upon our beliefs, sold the assets and got rid of the debt, which ultimately has led to the AAA rating, has rectified the state's standing in the international community, and has led to the buoyant economic circumstances that we enjoy today—

The Hon. P.F. Conlon interjecting:

Mr HAMILTON-SMITH: The minister is laughing. The minister will have forgotten that when his lot were last in power we had a $300 million recurrent deficit per year, that we had $10 billion worth of debt. When his lot were last in power, we were—

Mr Koutsantonis interjecting:

Mr HAMILTON-SMITH: $10 billion. We were $300 million a year in the red; that is where we were when he was last in power, and he forgets that conveniently. What did he inherit? He inherited the remission of that debt and a set of accounts that he must just sit back, wring his hands together and think, 'Allelujah.'

The Hon. P.F. Conlon interjecting:

The DEPUTY SPEAKER: Order, the minister is out of order!

Mr HAMILTON-SMITH: With hundreds of millions of dollars in revenue pouring in, he is enjoying such sound economic circumstances that it is almost the case that a team of gorillas could manage the Treasury at the moment, and as long as they did not steer the vehicle off the road, they would do okay. Well, lo and behold, that is what we have got. The great lie, and I will ask the minister this, I would love to know whether the minister—since he genuinely believes that we should never have sold ETSA—has put up an argument in caucus for his government to unscramble the egg, to pull some of that taxpayers' money out, crank up a bit of that debt, withdraw from the national electricity market, and re-purchase the assets.

Mr Koutsantonis interjecting:

Mr HAMILTON-SMITH: If that is what he believes, and if that is what the member for West Torrens believes—because he is quipping in now, he is against it too—has he put up an argument in caucus to unscramble the egg and re-purchase some of the assets? Maybe the minister read *The Financial Review* in April 2004 when it talked about substantial slices of South Australia's electricity infrastructure being on the market before Singapore Power moved in. Perhaps he did not read that the power assets were actually available at a discount for the price at which they had been sold. In fact, the former Liberal government did such a good deal, it offloaded the assets for more than they are currently, (apparently) worth today. If it was such a bad move you would think that they would be worth an extraordinary amount more, but somehow the minister missed that. He also missed the 'For Sale' page in *The Advertiser* on 4 October 2003 which talked about four lots of South Australian power assets being up for sale.

Did he put up an argument in caucus? Did he say, 'We are a government of principle. We believe that those assets should be owned by the taxpayer, and I would like to bring an argument into caucus to champion that cause and I will go out there to the public and I will say, "I am the Minister for Infrastructure, the member for Elder, and I want to say, let's buy them back." Let's unscramble the egg, let's undo the damage done by that terrible Liberal government, and let's buy it back.'

I suppose when the minister woke up outside his electorate, and poked his head over the fence so that he was looking inside his electorate, and he picked up *The Independent Weekly* on Sunday—guess what? The assets are back on the market again. It says that the power assets are back on the market, yet again, they are for sale, and it goes into great detail. The minister has an opportunity to come in and say, 'Look, we do not need this bill. We are going to uphold what we argued we believed earnestly back during the debate about the sale of ETSA. We are going to go out, borrow that money back again—you know that debt that the Liberals got rid of—we are going to go and borrow it all back again, we are going to whip out there, the assets are for sale, we will buy them all back, we will move out of the national electricity market, lo and behold all the problems of the world will be solved.' Has the minister done that? I do not think that he has. Has the member for West Torrens put that argument up? I do not think that he has. Has the member for Enfield argued that in caucus? I do not think that he has. Why not? Why have the geniuses opposite not stood up in front of the people of South Australia and said—

The Hon. P.F. CONLON: I rise on a point of order. I have been very patient but the member for Waite is labouring under the misconception that it is question time. If he wants to come and ask those questions he can come to question time. Perhaps he can address himself to the bill right now.

The DEPUTY SPEAKER: I take the point of order as relevant.

Mr HAMILTON-SMITH: I am addressing the bill. The reason we are discussing this bill is: guess what this government has done once it came into office? It said, 'Goody, the Liberals sold the power assets. Thank Heavens for that. They have got rid of all the debt. We are not responsible for explaining to taxpayers any more why electricity prices are so high. We have got all the benefits with none of the odium. Not only that, we can sit back and bag them for years and say, 'My God, there wouldn't be any problems with electricity, if only the Liberals had not sold ETSA.' No-one believes it. It is a Labor lie.

Mr KOUTSANTONIS: I rise on a point of order, sir. The honourable member is using unparliamentary language by calling us liars. I ask him to withdraw. Also, sir, my point is relevance.

The DEPUTY SPEAKER: The term 'liar' should not be directed at any specific member, but in terms of generalities—

Mr Scalzi interjecting:

The DEPUTY SPEAKER: Order! The member for Hartley is out of order. In terms of generalities, it is on the fringe of being unparliamentary.

Mr HAMILTON-SMITH: Thank you, Mr Deputy Speaker. I understand how sensitive the minister and the member for West Torrens are. They seem a little fragile now. They have a little bit of a glass jaw. Now that they are in government, they love to stand up and dish it out in question time, but they have forgotten what it was like. Well, they will have to sit here and take it. The fact is that we are here dealing with this bill because the minister wants it both ways. He wants all the benefits of the sale of our electricity assets; he wants all the benefits of being in the national electricity market; he wants the debt gone; he wants someone else to blame when power prices go up; he wants that money to keep rolling in; he wants someone else to blame for all the problems of electricity, except himself and his own government. It is a Labor lie in the most general of senses. It is a bit of Labor nonsense. I do not think anyone believes it.

Somehow or other, some of the media are still sitting there with their hand on the heart, wringing their fingers, saying, 'Oh my God if only we hadn't sold ETSA.' Regardless of whether or not we had sold ETSA, unless we had withdrawn from the national electricity market we would still be here today dealing with a bill that requires us to establish a national regulator; regardless of whether or not we had sold it. The true test of honesty, courage, integrity, worth and

principle is whether any member in this government in caucus has stood by their principles and put up an argument that says, 'Look, we went to the people of South Australia and said that this should not have been done. We are now in government. We can undo what we said was wrong.' But they have not, and thereby goes any credibility whatsoever that any member opposite has in running the line that the problems of the electricity world are the result of the former government having sold ETSA. They want all the benefits without any of the pain.

As I said, I will be supporting the bill. Clearly, we must have a national regulatory arrangement if we are to be part of a national electricity market. I am simply pointing out that the government had choices. It has made its choice. Its choice has been to proceed with, uphold and not reverse the decision of the former Liberal government in regard to the sale of electricity assets. Not only that, it is going down, albeit in a most cumbersome, dare I say incompetent, way the same path that was set at the time that those crucial decisions were made by the former government about our joining the national electricity market. We all know that if the minister had acted more swiftly we would not have experienced the same price rises. We all know that South Australians have been subjected to price rises well and above those that have been put upon users of electricity in Victoria and other states. We all know, despite what the minister says, that other states that have not privatised their assets have the same, if not worse, problems than we are experiencing today in regard to price, future investment in electricity infrastructure and regulatory management.

The Hon. P.F. Conlon interjecting:

Mr HAMILTON-SMITH: Well, the minister has not been keeping himself briefed on the situation in Queensland and Western Australia. I urge the minister to find out what has been going on. In fact, it was a key issue in the last Western Australian state election.

The Hon. P.F. Conlon interjecting:

Mr HAMILTON-SMITH: The minister is indicating by his interjections that he is poorly informed. I have concerns that it is devolving state responsibility to a national body, but what choice do we have? We are part of a national electricity market which this government clearly thinks is wonderful. The government has simply proceeded with what was a chain of events that was set in place by the former government. I commend the bill to the house and look forward to its swift passage.

Mr RAU (Enfield): I was not actually going to say anything about this, but I have been so impressed with what I have heard. I really do enjoy the member for Waite's contribution on most matters. Today, as usual, he has not been a disappointment. It is always interesting when the opposition ventures into the subject of electricity, electricity pricing and marketing, and electricity regulators. They are always highly entertaining. Members opposite realise—

The Hon. P.F. Conlon interjecting:

The DEPUTY SPEAKER: Order, the minister is out of order!

Members interjecting:

The DEPUTY SPEAKER: Order! Both the member for Waite and the minister are out of order.

The Hon. P.F. Conlon interjecting:

The DEPUTY SPEAKER: The chair is warning the minister. It is not good for a minister to be warned by the chair.

Mr RAU: Thank you, Mr Deputy Speaker. I was just saying how much I enjoy this because the member for Waite, in particular, has taken up the idea that the bigger the lie the more likely it is to be believed. The whole opposition has approached this on the basis: 'We will tell the biggest fib we can think of. We will keep repeating it over and over again. We will hypnotise ourselves and, hopefully, after we have self-hypnotised, we will be able to somehow have this hypnosis permeate out from this room and affect the whole community.' It is really remarkable.

Let us look at the facts behind this. A bunch of economic theoreticians got hold of the electricity market some years ago, through NCP and other absolutely reprehensible policies. They decided that, out of a natural monopoly, they will create competition. A primary school student who knows anything about economics knows that there are certain things which are natural monopolies and certain things which are not. Electricity happens to be one of the things, because of the technology, that is a natural monopoly, just like the water supply. Not only is it a natural monopoly but it is also one that has been recognised as such by our national competition policy, because you need a regulator to come in over the top of the market to make the market not do what the market would do if it was let go, which is to rip everyone off.

That is the mess the government has been left with. We have an unnecessary privatisation of ETSA. We have a market that is ludicrous because it is a monopoly: it will never compete. We have to have a regulator put in there to make something happen that would not have happened naturally and, surprise, surprise, the outcomes are not very pleasant. They never were going to be pleasant. Any fool could have worked that out several years ago.

However, those who sit on this side of the chamber are not responsible for this mess. We did not make the mess. I always find it amusing when people such as the member for Waite stand up and complain about us not cleaning up their mess properly. The member for Waite asked me to talk about nappies. I have moved on a bit in my house now. I am talking about cleaning up Lego. When my kids go into the lounge room and spread Lego everywhere, I do not clean it up. They want me to, but I do not. I say, 'No, you clean it up.' We usually do not get very far, because they are like the opposition: they do not want to clean it up and, in the end, they expect me to clean it up. We have dreadful family disputes about who will clean up the Lego. That is what is happening now. They are the people who put the Lego all over the floor, and they are getting the minister to clean it up for them.

Why do not members opposite just say to themselves, 'Number one, we're not going to hypnotise ourselves any more by repeating the big lie. We're going to accept that we messed this thing up.' That would be nice: a bit of refreshing self-realisation about what has gone on. Why do they not say to everyone, 'Look, we're sorry for what we've done. We apologise.' In fact, I would like to give the speech the member for Waite should have given. It starts off with, 'I apologise.' It ends with 'I apologise,' too, and in between he talks about all the silly things he did when he voted for privatisation, when he supported national competition policy and all these other crazy things the people over there have done.

The fact is that they have created the mess and we have to fix it up. They complain now that it is not as clean as they would like. I agree: I would like it a lot cleaner, too. I would like us to go back to when we had regulated government involvement in these industries, when things could be

controlled; but they have closed the door on that opportunity. So, all we are left with is the imperfect solution of a regulator. It will be an imperfect solution, but what option do we have? Do we say to the monopolies in the electricity market, 'Right, you get out there and it's a free-for-all. You charge what you want.' Is that what they are saying? Is that the alternative? The only alternative to this mechanism is to say, 'Right, go for it.' If members opposite think we have screams now from members of the public about what is going on with electricity prices, they have not seen anything.

Why do not members opposite just face facts? They made a mistake. Everyone makes mistakes. They should be big about it and get up and say, 'Look, we made a blue. We're sorry.' Eventually the people will forgive them, and everyone can move up to those broad, sunlit uplands where everyone is happy and the regulator does his job. I am sorry that the member for Waite cannot hear all that contribution, because it was inspired by him, for what it is worth. Can I say once again: if you make the mess you should either fess up when you mess up, or at least support the people who are trying to clean up after you.

Mrs REDMOND (Heysen): It is a pleasure to follow the member for Enfield, because it is something that he said in this house previously that gets me to make a very brief contribution: I promise I will not keep the house long. I have to fess up right away that I have not read this 101-page bill, nor have I read the 175-page national electricity rules consultation paper, nor have I read the 685-page draft of the new electricity rules. I make no apology for not having found the time to read those things.

I thank the member for Bright for the work that he has done in conscientiously reading and deciphering them and giving me at least some understanding of what is going on. Basically, though, my contribution is limited to this. I simply want to express my concern (and it is a concern expressed previously, I am sure, by the member for Enfield) about this consistent pattern that we seem to be seeing in this parliament of having legislation that has been negotiated by a group of ministers to bring in federal legislation; we simply have this legislation thrust upon us as a bill which we are admonished we must not change. I think that is an inappropriate use of the legislative processes of this chamber. I do not think that we should as a house generally just take on this role of rubber stamping what a federal legislative program wants us to do.

I am quite happy with the concept of combining certain things to make them work, and I recognise that when our Constitution was drafted in the 1890s certain things, such as corporations, were not even thought of and were not included in the powers that were naturally to fall to the commonwealth. However, as a state parliament, I think we should be increasingly concerned about the level to which our federal counterparts want to take over the role of this house.

Mr Koutsantonis: Are you a centralist?

Mrs REDMOND: I am a federalist by nature. I believe in states' powers and I believe that, as a parliament, we all need to be very careful about how far we allow this centralism to go, because what will happen is that we will end up with federal control of far too many things. In my view that will be a huge disservice, particularly to the smaller states like South Australia. I therefore simply wish to place on the record—not my views about the detail of this bill because, as I said, I have not read it and I refuse to comment on things that I have not read or of which I do not have some reasonably comprehensive understanding—my growing concern at the number of occasions that this chamber is being asked simply to rubber stamp something that is being posed upon us from elsewhere, instead of doing our job as legislators for this state.

The DEPUTY SPEAKER: The member for Hartley.

The Hon. P.F. Conlon interjecting:

The DEPUTY SPEAKER: Order!

Mr Koutsantonis: Let him speak.

The DEPUTY SPEAKER: Order!

Mr SCALZI (Hartley): When I was a teacher I used to wait. I can wait.

The Hon. P.F. Conlon: Corso di grazie!

Mr SCALZI: I thank the minister for his interjection.

The DEPUTY SPEAKER: Interjections are out of order. The member for Hartley has the call.

Mr SCALZI: Like the member for Heysen, I am a federalist. I do not believe in centralisation of power. I have difficulty with the stage that we are at. In a way we are responding to the grid that we had to have. The former Labor prime minister Paul Keating—

Mr Koutsantonis: I got it.

Mr SCALZI: The President of the Labor Party has got it. I really appreciated the member for Enfield's contribution because he, too, is on track. Nevertheless, we find ourselves with this present situation. I want to put honesty into perspective and read this pledge:

My pledge to you
1. Under Labor there will be no more privatisations.
2. We will fix our electricity system and an interconnector to NSW will be built to bring cheaper power.
3. Better schools and more teachers.
4. Better hospitals and more beds.
5. Proceeds from all speeding fines will go to police and road safety.
6. We will cut government waste and redirect millions now spent on consultants to hospitals and schools—Labor's priorities.

Keep this card as a check that I keep my pledge. ALP.

The card displays the photograph of the Premier who represents the electorate of Ramsay in Salisbury, yet he lives in Norwood. The government prides itself on its AAA rating. Economic commentators say that the AAA rating would never have been achieved if it was not for the decision of the previous government. I say that this government should be—

The Hon. P.F. Conlon interjecting:

Mr SCALZI: Yes, the minister can talk about my prospective election campaign. I am disappointed that the Premier did not stand for Norwood. I was looking forward to lifting up my profile.

Mr Koutsantonis: Norwood? You're leaving Hartley, are you? Get it right.

Mr SCALZI: Pardon?

Mr Koutsantonis: Get it right. You live in Hartley, not Norwood.

Mr SCALZI: Yes. It is amazing that the member for West Torrens interjects because I remember correctly. Here is the pledge. I believe that the government should say sorry for plagiarism. I was a school teacher, and I can tell members that once I got a project from a student and I knew that the student had not done the project, that it was the mother. I said, 'Well done, mum.' This government should be honest enough to say, 'We got the AAA rating. Well done to the previous government for helping us to get that.' If I had to go back to this pledge during the last election for the government's project, as an honest teacher I would have to say—

and, by the way, I can comment because I am still registered—'Fail.'

The Hon. P.F. CONLON (Minister for Infrastructure): I thank all members for their contributions. I place on the record immediately something very obvious about legislation of this nature. It may not be precisely what I would have liked were I to be responsible for crafting it entirely on my own but, as has been pointed out by many contributors, I am not. This is an agreement between a number of states and the commonwealth. It has taken, I can assure the house, years to get here. For the member for Heysen's benefit, it is not even in the original proposition of this government that it should be the lead legislator for the national laws: simply, that is the circumstances in which we find ourselves—that is, to quote the Pope, the only Troy we have to burn.

Mr Scalzi: Homer?

The Hon. P.F. CONLON: No, actually an Irish poet wrote that. The truth is, as Otto von Bismarck said (I think in about 1861), politics is the art of the possible. I will repeat that for *Hansard*: Otto von Bismarck said that politics is the art of the possible. What we have brought to the house is what we have found possible to achieve in agreement with other states and the commonwealth. I need to address some of the comments that have been made, in particular by the lead speaker. I would not address some of the comments made because they are not particularly relevant to the bill, except that they do a grievous injustice to certain individuals. I refer to the comments made by the member for Bright that it was a, I think, 'sick plan' by this government to increase electricity prices by more than it should and therefore, he reasoned, to enjoy the electoral benefit of that.

The problem with those comments is that they suggest that not only the Chairman of the Essential Services Commission but subsequently Stephen Baker, the former Liberal Deputy Premier and Treasurer, Prof. Dick Blandy and Dr Sue Richardson have all been prepared to do what the government has told them in some sort of sick scheme to defraud the public. That is plainly defamatory of those people. I invite the member for Bright to repeat it outside this place so that they can deal with him as they should. He knows that the prices are set by the Regulator. He knows that because it was the same proposition that the previous government had on setting prices, and he knows that the only way to achieve this feverish delusion of his of a sick scheme would be for us to have those respectable people, who do not deserve any slur against their name, cooperate in the scheme and throw over their independence to do what the government directs them to do.

That is simply not the case. I can indicate to the member for Bright that I have made submissions to the Essential Services Commission that I have not always been successful with. I can assure members that they have chosen to ignore me when they believe that I am not correct. Although I cannot imagine that circumstance ever prevailing, they have taken that view! I do invite the member for Bright, if he wants to persist with that, to repeat it outside this chamber and not merely in here.

The other thing I need to address is the comment about this plan; this repeated comment that he had information prior to the election that prices should have gone up by only 10 per cent. The problem is, and I have cited in this house, a submission from the former treasurer Robert Lucas to his own cabinet, wherein basically they have said that what was likely to happen after FRC was what had happened to businesses in the previous tranche, where prices had gone up by an average 35 per cent. He went on to say that they did not really know what would happen but they saw no reason to believe that what had happened to businesses would not happen to small customers at FRC, and their response was to give it to the Regulator and let the Regulator set whatever price should be set.

To come into this place and say that they had evidence that it should have gone up by 10 per cent is actually in contradiction to the only information they provided. Even more importantly, there has been a series of reviews by the Essential Services Commission in recent years, most recently one setting out a three-year price path. What we have seen is the member for Bright repeating in the media this view that prices went up by too much, repeating in here today that he had information that they should have gone up by only 10 per cent, but he has never told the Regulator that. He has never provided a single iota of information to the Regulator to suggest that.

In fact, other than a letter in 2002, particularly in regard to the current price reviews by the Regulator, the Liberal Party has made no submission whatever. It does not have a view on what electricity prices should be in the future. It has no view. Despite its being pointed out to members opposite in this chamber several times, they have been unable to provide a point of view to the Regulator on what the price should be over the next three years. Not a single iota. Not a phone call. On the one hand, the member for Bright has this information that it should have gone up by 10 per cent but, if that is true—and of course we all have our doubts—perhaps he can explain to us why he keeps this valuable information a secret from the Regulator who he knows is responsible for setting prices. It is plainly fraudulent.

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: He says I would have had the same briefs. I have never had such a brief, and I would just invite the member for Bright, because I know he held onto a lot of cabinet documents—he found them in the office—to provide that information to the Regulator. He has never been willing to do it. He will not do it because he will not have his ridiculous propositions tested by the scrutiny of a review. He will not have it because he knows it is fraudulent. I will not go any further with it but, frankly, the comments of the member for Bright on electricity price setting are ridiculous.

As to consultation on the bill, consultation, were it done entirely according to my point of view, might have happened differently, but it is not done according to my point of view. It is done according to the point of view of all the ministers, including the commonwealth, and I am not so arrogant as to say that my point of view must prevail on all occasions and not so arrogant as to say that I should be listened to to the exclusion of all other ministers and the commonwealth. That leads me to the contribution from the member for Bragg who, faced with all these governments (including her Liberal colleagues in Canberra) spending years coming to this conclusion, got to her feet and said 'I don't agree with it' and sat down.

The Hon. W.A. Matthew: It was timesaving.

The Hon. P.F. CONLON: It was timesaving, but what a contribution to the public debate! 'No, they're wrong, and we'll tell you why later', I guess. It was an extraordinary absence of contribution, and it does lead me to have some concerns. One of the concerns that I have is that repeatedly, even though the opposition might oppose the bill, the lead speaker used the phrase 'if it gets through the parliament,'

and we saw that one of the members of the opposition is going to oppose it. It is a further indication that if they do not like the answers they get here, they might do something else in the Legislative Council.

There is no doubt that this is not my ideal bill, but what I can guarantee is that it is a marked improvement on the present circumstances. It was extremely difficult to achieve and we had to bring along a lot of different points of view to get there, and it is absolutely recklessly indifferent to the interests of South Australian electricity consumers and the industry around Australia for the Legislative Council apparently to be second guessing those people. There is absolutely no doubt what the outcome will be if the Legislative Council decides to do its wrecking role; that is, we will all be back to the drawing board again. We may not be getting something that I think is perfect, but we are bringing forward a marked improvement in regulation, and I repeat that it is recklessly indifferent to the interests of South Australians and all Australians for that attitude to prevail among the opposition.

The important aspect of this legislation to me and to our government is that we will have a clearer regulatory system. The Australian Energy Market Commission will have a better system of rule change and be more responsive to the jurisdiction. We will be able to fill a policy vacuum that has existed and has been recognised by most commentators in the national electricity market, and we will have a regulator that is more clearly a regulator and not one that enjoys overlapping roles. It would have a real changed system, where, in response to a need, real changes can take place in a reasonably timely fashion. The best example I can give of the failings of the current system is the regulatory test for interconnection that we saw defeat the original proposal for the SNA regulated interconnector some years ago. It was recognised to be manifestly inadequate by all observers, but it took two years to change. That is a system we work under at present. We have a rule that is manifestly wrong, and it takes two years to change under the current system, with that endless conversation between NECA, the ACCC and all sorts of people. The most important thing about this is getting a better regulatory system.

Much has been made by the opposition of the transfer of powers to the commonwealth, and I want to say a few things about that. The member for Waite, in a typically confused contribution to the debate, suggested that it was our plan to get the responsibility off our hands. This is something that is in there at the behest of the commonwealth—it is the commonwealth's price for its agreement to the changes. As I have said, I cannot always get everything I want. It is long way from being the driving motivation for me. Despite how the story might have looked in the *Sunday Mail*, I have placed on the record my view that those functions will not be handed to the commonwealth unless there is an assurance that they will continue to be done by local people.

The Hon. W.A. Matthew: Will not be.

The Hon. P.F. CONLON: Will not be—and I have said that over and over. I have said it in the house, and I have said it in the media. They will not be handed to the commonwealth until we are assured that they will continue to be regulated from a local perspective. Particularly in the area of distribution it is a nonsense to suggest that you can regulate a system like that by remote control from the eastern states. If the member thinks we have strong reservations, imagine the reservations, for example, of New South Wales running its scheme and Queensland, which has not introduced FRC, and both those state own their assets. It is certainly a serious misapprehension, although not the only one, on the part of the member for Waite.

I want to talk about a couple of other things the member for Waite said which, frankly, illustrate a complete absence of knowledge of the modern debate on electricity. He said there were dreadful supply problems in WA, Queensland and all over the place. That is news to me. It is my understanding that most of the problems experienced in those states—like problems experienced in South Australia in the past—have been to do with the distribution system and handling weather events, in particular, during the summer demand. I will check with people, but that is my understanding of it. He also said that Queensland has suffered the same sort of price shocks experienced in South Australia. This will come as tremendous news to those ministers in Queensland who do not know that. They believe they have continued for some time to regulate the price themselves without FRC. The member for Waite must be referring to a different Queensland, not the one in Australia.

He also went on with a peculiar belief in amateur histrionics, waving his arms about and saying, 'Be brave, and buy it back.' I will explain a few things to the member for Waite, one of which is that you do not buy bits of the system, and I have said this many times. The truth is that owning a bit of the system is inherently risky. Owning all of the assets is a way to flatten out risk across the system. If the member for Waite thinks we can buy it back at bargain basement prices, he might explain a few things, such as how we will get back the $100-odd million that was paid to consultants in relation to the sale. What an absurd proposition it is that we should go out and pay hundreds of millions of dollars to help sell it and then buy it back some years later. He knows the truth is that the privatisation was done in a very bad way, and it would be an extraordinarily difficult proposition to set out to buy back all the assets.

If the member for Waite thinks the public out there will swallow the fact that the privatisation was not enormously damaging for South Australia, he has delusions of the Walter Mitty type. At the end of the day, the public are not stupid. They are able to make an analysis for themselves. If the member for Waite wants to make the next election a referendum on electricity, I look forward to that. There is no doubt that people would like us to do more in relation to the price of electricity. However, there is also no doubt that they know who wrecked it: they know who were the wreckers. I challenge the member for Waite to come out and make the next election a referendum on electricity.

I want to respond briefly to the comments made by the member for Stuart. I have always had a lot of respect for the commonsense of the member for Stuart. He talked about the need to bring on more baseload power. One of the things that has always been trumpeted by the opposition as being their great achievement whilst they were in government is the Pelican Point Power Station. One of the best arguments we have for improving this market is that the Pelican Point Power Station is dispatching at a very low percentage of its capacity, should anyone in this place want to go and have a look at dispatch records over the last couple of years.

The worrying truth is that this is the most efficient gas-powered plant in Australia. That means that all future plant in South Australia, until other technologies come along, is likely to be efficient, combined-cycle, gas plant. We are in a system where the member for Stuart says there is not enough base load, but we have the most efficient gas generator in

South Australia dispatching at very low levels. That is very worrying, and it is very hard to see how private sector investment in a new plant of that type would go ahead if one simply looks at the levels of dispatch at Pelican Point. I am very confident that Pelican Point will have a bright future but one has to be honest with oneself, and the truth is that no-one would build another one at present, looking at how often it dispatches. I certainly would not put my money in it.

There is no simple answer but it is imperative that we get a responsive regulatory system that allows us to address issues such as why that should occur, because I have no doubt that the most important fuel for generation in Australia on a transitional basis into the future is likely to be natural gas. It is a much cleaner fuel than coal and it will help us address some emissions issues in an industry devoid of national leadership on emissions policy. It is imperative that we have a regulatory system that accommodates modern, clean, combined-cycle gas and makes sure that there are no artificial impediments to its competition.

Comments have been made about Paul Keating's national electricity market—and talk about a big lie, you have never heard a big lie like this one. Basically, the proposition is that Paul Keating dragged everyone into a national electricity market with a real time pool and made them all privatise their assets. That is nonsense. The original idea, from the federal Labor government at the time, was a very commonsense one about the use of a national grid. A national grid makes sense; it is about utilising spare capacity in what is an extremely expensive investment. In South Australia we have been exploiting the cheaper electricity from Victoria for many years for very simple reasons—the cost of fuel at some of the Victorian power stations is about $7 a megawatt hour. It is much cheaper to make. So it makes good sense for South Australia to be part of a national grid.

The issue is that, as I think the member for Enfield contributed, the whole thing was taken over, not by engineers, but by members of the dismal science who then decided they were going to impose their own ideas of markets upon people. I apologise to my adviser who is himself a member of the dismal science, but we are paying him! The truth is that the market design, the regulatory system, has flaws and that is why we are here today.

I will close by saying that, of course, there are many things I do not agree with the member for Bright on but I do agree on a couple. I may have had a different bill if I were free to do it myself, but I am not. We are part of a national system and we need to reach agreement with other ministers and with the commonwealth. Having worked hard at this for three years, one does learn to lower one's ambitions in terms of what can be achieved in a system that requires the agreement all those parties. What we have here may not be the best improvement in the world, but it is a very significant improvement to the regulatory structure of the national electricity market. While I understand, and have some sympathy for, arguments about national regulatory schemes which seem to fetter the ability of a parliament to change it as it might like, it is terribly important that this parliament does not try to second-guess an agreement that has been reached by so many ministers—including Labor and Liberal ministers who, despite what might be thought, have brought significant goodwill to achieving this result.

The only other point I would make, to answer the member for Bright about urgency, is that it is not as urgent as the unlikelihood of Tasmania being able to get Bass Link up. There are a couple of other reasons why it is fairly important to try to achieve this by 1 July. One is the very important one that if we cannot do that and get a system in place for the industry paying for its system, we may well end up footing the bill until we can do that and that is not something I want to do. At present industry pays for its regulatory system and we would want industry to pay for its regulatory system with the new system, but if it is not in place at the start of the financial year we may find ourselves footing the bill, especially as the National Electricity Code Authority has been winding down its activities in anticipation of this legislation for some time.

So there are very good reasons why we need to achieve it. We would certainly like to get it through both houses before we get to budget time and estimates, and suchlike. I also want to keep faith with the other states. We have reached an agreement and we have all thrashed out a lot of differences but this is the agreement we have reached and I think it is important that we keep faith with those people on that agreement. I will leave my remarks there, and I look forward to providing what information I can in the committee stage that will assist the passage of what is extremely important legislation for the nation.

Bill read a second time.

The SPEAKER: I say to the house, from my place here seated, that this kind of legislation disturbs me immensely. Parliament, not only this parliament but the parliament as an institution across this nation, seems increasingly willing—however well-informed or otherwise—to simply hand over its prerogative, responsibilities for making law, to other non-elected bodies. This legislation is no exception in that respect. For us, as members of the parliament, to be told that it is template legislation and, therefore, we cannot amend it, to my mind, is crazy. Whilst that was also the case with the legislation amended by this bill as it stands at the present time, it does not excuse the fact that we now go further down that process in determining the way in which we will govern society in general and govern the way in which this commodity is provided to that society.

Whilst the legislation contains a lot of high-sounding phrases, as does the second reading speech incorporated by leave of the house by one minister who was not the minister for energy on the day and based on the Parer review, it has disturbed me to contemplate the possible implications of the authority that we simply hand over to those people who are not elected representatives of the community at large. In handing it over, it makes it extremely difficult—more so than the legislation amended by the bill—for us to try and rein in what we may eventually as an institution see as inappropriate conduct of the authorities (the bodies) which come into existence in the form in which they come into existence as a consequence of the possible passage of this legislation.

The worst aspect of it all, in my judgment, is the fashion in which rules can be made. The fancy notion that any person or corporation can put a proposition to the relevant authority to make the rule on the one hand and then pretend that the authority to which the proposition has been put must not act other than to receive such a submission is ridiculous, because any one member of the authority, as a human being, is a person and they can make a submission to that organisation. It is entirely lawful for them to do so. It concentrates the power over the electricity market, and the people, institutions, corporations and organisations who may wish to participate in it concentrate that control in ever fewer hands—not really

any way different from the separate entities which used to run the states in any event. The states, through their parliaments, were then capable of independently legislating should they have felt the need to do so; we forgo that prerogative. We bind ourselves in a way which no insect would be so bound even when completely enmeshed in the spider's web.

It disturbs me to read in the second reading explanation that, under the new regulatory arrangements, the Ministerial Council on Energy will have a high-level policy oversight. That council does not meet more than a few hours every year. A high level of policy oversight really means that it is so far above and remote from the reality of what is going on that the ministers will not understand, and Sir Humphrey and all his minions will make bloody sure that if there is something embarrassing the ministers will never discover it if Sir Humphrey can possibly avoid that course of action and, in the process, though it may take a year or more to fix it, they will do it through the rule-making process available to them in consequence of the passage of this legislation into law. I was disturbed by what I read in the original legislation, brought in during the years of the Olsen government, but I am more disturbed by this. Another aspect of the disturbance arises because of what I note in the second reading explanation, which I quote from as it appears in *Hansard* on page 1452:

> The national electricity market objective in the new National Electricity Law is to promote efficient investment in, and efficient use of, electricity services for the long term interests of consumers with respect to price, quality, reliability and security of supply. . .

The price of electricity is a simple enough concept. As to the quality of the electricity, God knows that ETSA made a botch of that. There were pretty square sine curves in the sort of power that was delivered and the variability of it was atrocious. On reliability, if you live in Meningie or somewhere in the Lower Murray and you are a dairy farmer, you know that is an oxymoron. The security of supply, under the terms of reliability, is regrettably ignored in those parts nonetheless highly dependent on the electricity in those parts which are at the ends of the high tension lines that deliver to those localities which only have one source of supply, and the lines are not supplied from each end. The second reading explanation further states, 'The market objective is an economic concept and should be interpreted as such.' I would like to think that some of the people involved in the decision-making processes had some understanding of market forces rather than this inane belief in what they call benchmarking, which is a term used as an excuse by ignoramuses who cannot conceive of what it is they should have known about and understood.

Benchmarking is not an economic concept. It is an excuse to obtain social acceptability for actions which are inexcusable. I am disturbed by the notion that we as the legislature, through the rule making process, hand over the power, for instance, in this rule making process, to make what are laws and heavy penalties arising under those laws, and to make, establish and change such things as participant fees. In my life, in this work as an elected representative, fees is another word for taxes, and I note that some of the honourable members in the chamber at the present time understand what I am referring to there; a euphemism to hide the real consequence. If, as a society, we are not careful, we will allow ourselves to be tied up by organisational structures which are accountable to no one legislature, indeed no legislature anywhere, and suffer even worse consequences than the very worst of what we had to suffer under the monopoly provision of the electricity from state-run institutions and organisations, or trusts, or call them what you ruddy well like.

In summary of my remarks, without going into the detail I am otherwise tempted to go into, I simply say that it also worries me that if you can do it for electricity, why can you not do it for other things? Indeed, if you are going to do it to consumers of electricity, you can bet your bottom dollar that those people who have a determination, a penchant to have control of something or another—and that will include the lobby that arises in society this is fanatically green, as much as the lobby in society that is fanatically rigid in its attitude, the same as was the case in pre-world war Germany.

The Hon. K.O. Foley: Which world war was that?

The SPEAKER: I am talking about the late twenties, thirties, before the war began, and the way in which German society was manipulated by those people who moved into and took control, and did it by obliging their dictatorial, political masters to do what their masters demanded. Then if you can do it in electricity, you can do it elsewhere, and if you get one group of nutters in there, they will use the powers that are there to completely subvert the capacity of the nation, state by state, community by community, business by business, and household by household, to achieve and obtain the very things that are set out in the stated objectives of the legislation. I lament the day both for the electricity consumers of the future, and for other elements of society through which this template approach to what is said to be protecting the community's interest right up for the national interest is taken over, and, in the name of that, does exactly the opposite. I thank the house for its willingness to allow me to state my views, and I reassure the house and anyone and everyone who may wish to criticise my remarks that I am happy to be held accountable for it.

In committee.

Clauses 2 to 11 passed.

Clause 12—Substitution of Schedule—National Electricity Law.

The Hon. W.A. MATTHEW: Clause 7 of the schedule relates to the national electricity market objective, and it is the first time there has been a stated market objective of this nature for the national electricity market, and the Liberal Party certainly welcomes that statement. There was a fair bit of industry concern and conjecture about this, ranging right through from industry to other stakeholders such as environmental groups. I can well imagine it was a clause that occupied a fair bit of time in framing it.

One of the concerns that has been put to the opposition repeatedly is that the wording is broad and subjective. For example, the word 'efficient' is used twice: 'promote efficient investment' and 'efficient use of electricity'. The words 'quality, reliability and security' are used in relation to supply and the national electricity system. Those who are raising this issue claim that the wording is so broad that, effectively, the objective becomes a motherhood statement and it would be difficult to enforce in any way, shape or form in law because it is so subjective. How does one quantify 'efficient'? How does one quantify 'reliable'? How does one quantify 'safe'? Is the minister able to respond to these concerns by advising us of his view and some of the consideration that occurred in developing this particular objective?

The Hon. P.F. CONLON: I have to say that one of the things that influenced me to be comfortable with it, from memory, is that it is not all that far different from the objective we set out in the state regulatory system. There is a lot to be said for there being a uniform regulatory approach

around Australia. I think it is very similar to the objective in the ESCOSA legislation; it is similar, to the best of my knowledge, to the objective in the Victorian regulatory legislation—those two, of course, being privatised jurisdictions.

I do not think there is any question that, no matter what objectives are set out, someone will argue about them. The argument, which perhaps has most cogency and which is critical of it is that, when combined with the absence of merits review, it makes the potential for judicial review limited. I do not have a difficulty with that. I think that, ultimately, the responsibility for ensuring that the system is working is a political one. The thing that we have tried to do with this—and I note some of the comments about the absence of a real overview by the ministers—is a much greater improvement than we have at present. On the grounds that it is consistent with the approach this parliament has decided to take with ESCOSA and the Victorian parliament has decided to take, there is some cogency in the argument with its being a broad objective that, without merits review, is likely to limit the scope for a judicial review of decisions. I understand that position, but I am relatively comfortable with that.

Ultimately, the jurisdictions should have political responsibility for the operation of the regulatory system, which has been the approach of inserting the MCE through the AEMC. I disagree with those who find the objectives too broad. If I did not, I would have to rethink our own parliament's attitude to the Essential Services Commission legislation.

The Hon. W.A. MATTHEW: Moving around the same objective—it is probably the best place to ask this question—one of the groups that contacted not just the opposition but all members of parliament was the Total Environment Centre in Sydney, New South Wales. They initially sent all members a copy of a paper that had been prepared by Gavin McDonald, who has a reputation within the industry of having a considerable amount of experience and is put up by some as an expert in his field.

In the second package, there were a lot of groups (which I detailed in my second reading contribution) that joined with the Total Environment Centre in expressing concern about the bill. They use some fairly strong language about the bill. As I said in my second reading contribution, I believe the parliament is a forum where people's viewpoint and concern ought to be put forward, even if I do not agree with that viewpoint or concern. They have told members that they have concerns about the doubtful constitutionality of the national electricity amendment bill and related commonwealth legislation; they have raised concerns about the erosion of the ACCC's role—and perhaps we will talk about that later—as the competition watchdog; they heavily criticise the bill as being flawed, but they say, 'The amendments have been designed in haste, are poorly thought out and reinforce dangerous flaws in the national electricity market. They are legally doubtful, economically unsound and environmentally damaging. They have been driven largely by state treasury and energy bureaucrats and have been developed without public consultation.'

I probably would share some sympathy with the last three words of that, but, beyond that, as I indicated, I am simply putting the views of that group forward. The reason I raise it in relation to the national electricity market objective is that they have urged us to oppose the bill, unless it is amended. The amendments they are suggesting seem to centre principally on the inclusion of an objects clause somewhere in this part of this bill. They want the objects clause to do a number of things, such as include a definition of 'environmentally sustainable development' and they want all decision-making processes to effectively integrate both long-term and short-term economic, environmental, social and equitable considerations. They want the economic cost of greenhouse emissions of the electricity market considered. They want to encourage the reduction of greenhouse gas emissions, and so on.

I simply ask the minister whether he was involved in any consideration of including not necessarily an objects clause but certainly those things within this bill. I have already stated my view about it in my second reading contribution. Will the minister advise what the general agreement was between the states?

The Hon. P.F. CONLON: In relation to the overall submission to which the opposition refers, I thought it had a number of internal inconsistencies and made some bald assertions without supporting their own argument. Let us be honest. I will not try to predict what happens in the constitutional judgments in the High Court of Australia, because a lot of people have gone broke doing that. Our best advice is that this is constitutional, otherwise we would not be setting out down that path. I will undertake—between houses—to provide some advice to the opposition from the Australian Government Solicitor on those issues. We will rely on that advice. There were some discussions, of course, and I do reject that this has been ill-thought out and rushed through. I have to tell members that if three years is rushing through some agreed changes between them, I would not like to see things done slowly. They will certainly defeat my parliamentary career if three years is fast.

There was a great deal of discussion about objectives. I have some sympathy for environmental objectives, but I will simply tell the members that if they think that Ian Macfarlane is going to object to us about the costs of greenhouse gas emissions, controlling greenhouse gas emissions and green stuff, and if they think that I am going to get a agreement out of the commonwealth for that, they must have a greater respect for my abilities than even I have, because I can guarantee members that that will never happen. To be fair, the commonwealth is entitled to have its view. I do not agree with everything that the commonwealth does. I have been a strident critic of some of the commonwealth's policies on greenhouse, but it is entitled to have its view, and the job in this legislation is to accommodate everyone's point of view and to reach something with which everyone can live.

Mr Hanna: It is the lowest common denominator.

The Hon. P.F. CONLON: I guess one can describe it like that if one wishes, but I am at a loss to understand how one can get an agreement between a whole set of legislatures without it being an agreement and not one that is forced upon one of the bodies. That is impossible. If we cannot do it by agreement we simply cannot do national schemes. We live in a federal system, that is the truth of the matter. This is how we achieve those things. I can assure the opposition that such matters were discussed. I had some view about some of those things, but it would be impossible to get the commonwealth in particular ever to sign up to these sorts of objectives.

The DEPUTY SPEAKER: Does the member for Mitchell still wish to move his amendment?

Mr HANNA: I move:

Schedule, clause 7, page 15, after line 37—Insert:

(2) It is declared that the long term interests of consumers will require—

(a) decisions to be made in accordance with the principles of ecologically sustainable development; and
(b) measures to be taken by regulators and market participants to manage the demand for energy; and
(c) there to be proper recognition of the long term environmental and economic costs of greenhouse gas emissions and action to be taken to reduce as far as practicable greenhouse gas emissions associated with the production and use of electricity.

(3) In addition to the promotion of action directed towards the long term interests of electricity consumers, the national electricity market objective is to include, in recognition that electricity supply is an essential community service—
(a) the taking of all practicable steps to ensure that consumers have continuous access to an affordable, reliable and safe supply of electricity; and
(b) the requirement that regulators and market participants consider the impact of their activities on low-income consumers.

The Greens are extremely concerned about the principles that are left out of this legislation. I have just heard the minister talk about how difficult it is to get something like this pass the federal government, but I say that we must insist. It is too important to let go of these principles. It is too neglectful to look only at the electricity market in isolation as if it is a machine with a narrow purpose. Fundamental principles underpin the continuance of our society which formed the context to consideration of the electricity market.

Members can see by the amendment that I have moved that we are insisting that some of these principles be taken into account by the regulators. My amendment makes it clear that decisions must be made in accordance with the principles of ecological sustainable development. That is not just a vague term. Increasingly, there is a body of research and common understanding on just what that means. Certainly, it means taking account of our depleting and finite resources. It means being sensitive to the natural resource environment. It means not prosecuting that environment. It means not using more than we need to maintain a fair standard of living.

It is also essential, the Greens say, to consider how we can best manage the demand for energy. I am sure that the minister agrees with this, but this legislation will be deeply flawed if it does not become part of the consideration of the regulators. It is quite clear that the demand for electricity in South Australia is on a long term upward trend. It is difficult to see how we can possibly supply enough electricity to meet that demand in the future. We must look again and keep looking at ways to reduce demand, and I do not mean turning off equipment in hospitals. I do not mean going back to the Dark Ages and doing away with computers.

A range of household and industry measures can be taken and should be encouraged so that our demand trend flattens out. If we do not do that the next generation will be in severe strife. The third principle which I say needs to be taken into account in this legislation is in respect of greenhouse gas emissions. Recently the Kyoto Protocol came into effect as the requisite number of nations agreed that the principles agreed at Kyoto should be considered by the signatory nations. Of course, that protocol refers to limits to be placed on greenhouse gas emissions because of the dire consequences for our climate, and ultimately our survival if severe measures are not taken to reduce those emissions.

It is not fanciful: it is a fact that greenhouse gas emissions around the world—and Australia is strongly contributing to this—are heading us on a collision course with doom, because the kind of climate change that we can envisage in just two generations' time will render drastically different living conditions for every South Australian. It would be negligent, in my submission, not to take account of this vital environmental concern in legislation that purports to govern electricity supply and demand around Australia. The consideration of the electricity market, as I said, has to be viewed in the context of these environmental concerns.

I have considered not just the environmental concerns that this legislation must address if it is to do its job properly but also the impact of the technocratic view of the market on consumers. I mean that if a narrow economist's view is taken of the market and we simply concern ourselves with what corporations can produce and what they can get out of the market in terms of profit, then that will leave consumers out of the picture. I have many constituents in my electorate of Mitchell and there are many people throughout South Australia who can barely afford the electricity they need at the moment. The Labor government did promise that there would be lower prices in this term of parliament, and we are not seeing that but we are seeing price increases.

This is an opportunity, when we are considering an overarching regulation of the electricity market, at least to have as an objective of that market the provision of a continuous access to an affordable, reliable and safe supply of electricity. I would have thought that that is a basic purpose of the very existence of the electricity market. It is also essential that regulators and market participants consider the impact of their activities on low income consumers. As I said, some people can barely afford to pay their electricity bills along with all the other essential bills they face. So, if we are not going to accept that these are worthy objectives for this legislation, we are leaving the battlers behind to fend for themselves.

There is an opportunity here to incorporate these principles and these concerns in the legislation as objectives, and this is a minimal approach. If we were going to go further, we could talk about maximum prices. We could talk about insisting upon renewable energy development and those alternative energy sources such as wind power, solar power, geothermal power and so on. But, at the very least, we should have our regulators mindful of these key environmental and social equity concerns. I move the amendment on that basis.

The Hon. P.F. CONLON: It will be no surprise to the member for Mitchell that the government does not accept the amendment. Having decided to go down the path of a broad objective, it is very hard to enumerate some of the things you take into account when looking at that broad objective. It is one approach or the other: you either have a broad objective or one that enumerates a set of considerations. Without suggesting that there is nothing valid about those considerations, one approach has been chosen over the other. If we were to take this approach, I suggest that we would have to write down another set of specific considerations. What regulators have said, what regulatory decisions have indicated, is that that is not the best approach.

Secondly, even if it were the right approach, it would trigger my being back at the Ministerial Council on Energy arguing the objective again. I have already made those comments and that is not something we want to do, having spent three years getting to this position. I will say for the benefit of the member for Mitchell that many of these matters are of great concern to the Ministerial Council on Energy. Energy demand management and energy efficiency has been one of the busiest areas of workload in the ministerial council in recent years, with a number of programs resulting from that.

In terms of emissions—and I share the member for Mitchell's concerns about global warming—we cannot cure the absence of a commonwealth policy on emissions trading by trying to write it into the market. What we are attempting to do is cure the absence of that policy within the states, and we are doing a lot of work. I met again with Theo Theophanous just a short time ago to attempt to establish a state-based emissions trading scheme. That is an important piece of work, and I am very happy to get officials to brief the member for Mitchell on that. I am sure he will be interested. For those reasons, I cannot accept the member for Mitchell's very well-intentioned amendment.

The Hon. W.A. MATTHEW: In the interests of saving time, because the member for Mitchell has not had the opportunity to discuss the opposition's viewpoint in relation to his amendment, while we certainly share his objective in relation to it we do not believe that this is an appropriate way to enshrine a sustainable energy drive into this type of legislation. The matters that the member for Mitchell raises are valid: they are matters that need to be taken into consideration. They are matters that are the responsibility of each jurisdiction and, of course, at federal policy level. On this occasion, I agree with the minister that the market objective is broad. In fact, my question to the minister, before the member for Mitchell moved his amendment, was to establish that fact. The reality is that, if these were to be included, a myriad of other stakeholders would likewise wish to have the objective amended to take into account their considerations. I have quite a number before me, which I will not put on the record tonight. Equally, the minister would have received them. We take the view that, effectively, it has to be the lot or nothing. This amendment in itself would force the whole ministerial council process back all over again. In keeping with the understanding that they have considered going to this level of detail, discounted it and preferred to leave that responsibility with individual jurisdictions for their policy making, the opposition is comfortable with the amendment not being supported on this occasion. However, that is not to say that there might not be state legislation that might be relevant, or motions before this house that could be moved to influence policy direction that we might have a different view about, and support the member for Mitchell in those cases.

The Hon. G.M. GUNN: I have read quite carefully the member for Mitchell's amendment to clause 12, particularly paragraph (c), which provides:

> . . . there to be proper recognition of the long term environmental and economic costs of greenhouse emissions and action to be taken to reduce as far as practicable greenhouse gas emissions associated with the production and use of electricity.

If that provision were to become law, I take it that it would lay the ground rules wide open and encourage people to build a nuclear power station, because that would be the only way they could comply with these conditions. Is that the member for Mitchell's intention?

Mr HANNA: First, I am not Rob Kerin; I am not the one suggesting that we should have nuclear power in South Australia. Secondly, it is a preposterous proposition, and we will not see it in my lifetime. I will be marching in the streets to stop that before it sees the light of day. Thirdly, this legislation is talking about regulation of the electricity market itself. So, you will not have the electricity market regulators turn around and build a nuclear power plant. It is a cheeky question, based on false science, which I will not go into now. I will turn to another topic, though, and that is the offence against our democratic principles that is manifested by this whole arrangement. What we have seen here is the minister come into this parliament and say that all the state and federal ministers have got together behind closed doors and done a deal. They have come back to this parliament and said, 'Because we have done a deal, it is too hard to undo it. This overrides the democratic spirit of this chamber. You just have to cop it.'

Of course, in this two party system, where we have a federal government of one complexion and state ministers of another, when that deal is done, virtually 90 per cent of the MPs in Australia are locked into following what seven or eight men have decided. That is absolutely offensive to our democratic institution.

The committee divided on the amendment:

The CHAIRMAN: There being only one member for the ayes, I declare that the amendment is lost.

Part 1 passed.

Part 2 passed.

Part 3, Division 1.

The Hon. W.A. MATTHEW: This particular part deals with the functions and powers of the Australian Energy Regulator and, as I indicated to the house during my second reading contribution, this is a body that has caused considerable concern for many of the industry stakeholders. My first question to the minister is one that broadly examines the role of the Australian Energy Regulator and its positioning.

The CHAIRMAN: Order! Could members please leave the chamber if they are not following the debate.

The Hon. W.A. MATTHEW: As the minister would be aware, and as I understand it, it was initially the federal government's intent to have the roles and functions of the energy regulator as part of the ACCC. I understand that the states were not happy about that and, frankly, I would share that concern. I also understand that stakeholders have been advised by the officers drafting the legislation that there would be a deliberate separation between the ACCC and the energy regulator. Furthermore, I understand that in reality that separation turns out only to be the location of the Australian Energy Regulator in a building—essentially, the ACCC will be on one floor and the Australian Energy Regulator will be two floors below in the same building. I also understand that the budget utilised by the Australian Energy Regulator will be controlled by Graeme Samuel, the head of the ACCC, and also that the staff working in the office of the Australian Energy Regulator will be existing ACCC staff who will be set up as energy experts providing advice and input to both the regulator and the ACCC.

I ask the minister whether that is consistent with his understanding and with the guarantees that he believes were given in relation to the way in which the energy regulator will operate.

The Hon. P.F. CONLON: I think the most important thing to consider is that the regulator will apply this law. The regulator will not be applying the Trade Practices Act; it will be applying the law that we make for the regulator. I think it is fair to say that I have had criticisms about the way the ACCC has regulated aspects of the national electricity market in the past; we have had concerns.

It is fair to say that the commonwealth—federal Treasury, in particular—has been very keen to keep a role for the ACCC. Again, we have had to reach agreements and accommodate points of view. For me the protections are that the regulator must now apply this law, it is not acting as an arm of the ACCC operating the Trade Practices Act, and that

for the first time it is very clear that the regulator is in fact a regulator applying an objective set of laws. I think in the past the ACCC got mixed up between a regulatory decision and a policy decision—especially when it was required to sign off on rule changes coloured by its own TPA jurisdiction.

The further safeguard is, of course, that agreement has to be sought from the states for the appointment of the chair and, of course, one of the three members of the regulator is a state appointee. In addition, a number of the roles are carried out by NECA in market regulation and they will become members of the AER, situated in Adelaide. So, while there is a geographical location there is also a branch of the regulator in Adelaide, as it were. In fact, I foresee that if they are successful in gaining greater jurisdiction and transfer of greater powers you will see branches of the regulator throughout Australia.

I cannot see how it could operate otherwise. It was a significant debate between New South Wales and Victoria, as you would imagine. The rest of us were only barely in it as to where the regulator should be located, and I think it is fair to say that both Victoria and New South Wales believe that their capital city is the centre of the universe. It was a considerable debate on where the regulator should be located. There is no doubt that we have all had to accommodate each other, and I think there is significant protection in the structure I have outlined and, above all, the regulator must apply this objectively made law. The role of the MCE and the Australian Energy Market Commission in making the rules is very important for ensuring that the new system is more responsive to jurisdictions than it has been to date.

The Hon. W.A. MATTHEW: For the purposes of efficiency, I propose to keep asking my questions through Division 1 of this part so that it can then be put to the block vote. I have a question in relation to subclause 16(1). The Energy Supply Association of Australia has put to the opposition a concern it has in relation to the judicial interpretation that could be applied to subclauses 16(1) and 16(2). They have looked at the market objective in section 7 that we looked at earlier, and they believe that subclauses 16(1) and 16(2) would be better served if that full market objective were also included as part of this section on the basis that they believe it would provide greater clarity under judicial review. While under subclauses 16(1) and 16(2) the way in which the Australian Energy Regulator performs or exercises its functions or powers is detailed, they believe that it is possible to have an interpretation that may conclude the promotion of the efficient investment in and the use of electricity services and the price, quality, reliability, safety and security that we talked about in section 7, that they have been deliberately excluded from here and, therefore, that the energy regulator should not have regard to these issues in performing its functions.

To support that viewpoint they have provided legal advice which states:

> When constructing legislation, courts take the approach that when parliament uses different language different meaning is intended. In this case there is a real danger that a court would find that because there is no reference to efficient investment the Australian Energy Regulator may regulate networks without having regard to the need to maintain efficient investment and price, quality, reliability, safety and security, the Australian Energy Regulator can give weight to a range of other factors such as enhancing general and environmental outcomes.

The legal advice further states:

> If differences of meaning are intended, these differences should be made explicit both so that industry can analyse and comment on the appropriateness of those differences and to ensure the courts apply those differences rather than ascribing an incorrect difference of intention to the language.

Is it intended that there be a different interpretation placed by the energy regulator or is it as the opposition has assumed that this should be entirely in keeping with the objective of clause 7?

The Hon. P.F. CONLON: In fact, it is even better than that. I think that the views quoted by the member for Bright may have been formed by the organisation in question on the exposure draft and, as anyone reading legislation would know, you would assume it is read with reference to the objective. To show that the consultation had some meaning, you will find that the current provision 16(1)(a) reads as follows:

> The AER must, in performing or exercising an AER economic regulatory function or power—
>
> (a) perform or exercise that function or power in a manner that will or is likely to contribute to the achievement of the national electricity market objective;

I suspect their comments were made before that specific calling up of the national market objective was inserted in that clause. As I say, the consultation has obviously served some purpose.

The Hon. W.A. MATTHEW: I think it was important for the minister to put that on the record so that should this matter ever become the subject of judicial review, that can be explicitly seen to be the intent of the house. My next question is in relation to subclause 16(2). A number of energy stakeholders have made the same claim that the pricing and regulatory principles in this section have developed in isolation from existing access policy reviews such as the federal government's response to the Productivity Commission's review of the national access regime and the pending Ministerial Council on Energy response to the review of the gas access regime. They further claim that this section is inconsistent with proposed revisions to Part 3A of the Trade Practices Act. These claims have been made to the officers who have been working on the bill, but stakeholders tell me that they are not satisfied with the response that they have had back, particularly in relation to national access regime.

The Hon. P.F. CONLON: There will always be arguments about the effect of these things. However, what is set out in subclause 16(2) is not an exhaustive list; in fact, I do not think such a requirement exists in the current NEL. It sets out the minimum of things that have to occur in that regulatory approach, particularly those issues of access. I do struggle, I must admit, to follow the objection of the industry in this regard. It is not a matter of inconsistency with access regimes, it is a matter of setting out here, not an exhaustive lift but some minimum standards that need to be applied in a regulatory decision of this nature.

The Hon. P.F. CONLON (Minister for Energy): I move:

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

Motion carried.

The Hon. P.F. CONLON: Again, I can assure the opposition that we will take a note of any of the issues where a view of industry on a legal application is contrary to ours, and we will provide further advice between the houses for the opposition to consider.

The Hon. W.A. MATTHEW: I thank the minister for the undertaking to do that. My next question is in relation to clause 18—Confidentiality. Again, this is a section that has been the subject of a considerable amount of industry concern, and they have expressed the very strong view that the Australian Energy Regulator, the Australian Energy Management Commission, the ACCC, and the National Electricity Market Company should not be able to share information which is gathered from market participants, especially where that information is provided to a body for a specific purpose on a confidential basis. They go further in not only saying that they should not be able to do that but they are also saying that such sharing of information would infringe a common law principle that information is to be used only for the purpose for which it is given. This concern has been expressed by energy stakeholders to the bureaucrats who have been working on this legislation, and again they are not happy with the feedback that they have received. They believe, essentially, that their concerns have been overlooked. They claim to have received the rather terse response that no change to the new National Electricity Law is proposed, and effectively they feel that their concerns have been dismissed out of hand. It may be that this is another matter that the minister wishes to refer for consideration between the two houses and, if so, I am happy for that but I think that because of the amount of industry concern it is important that it is raised during this consideration.

The Hon. P.F. CONLON: I will provide you with fuller advice but I can say, and it is a rather peculiar thing, that at present NECA is able to share information with the ACCC. Now I think that that is an illustration of the absence of respect in the industry for the current structure, that no-one seems to have given much regard to, but that is the current situation. That does not mean that there is something wrong with it, and that it should not occur. There are confidentially provisions that we call up from the Trade Practices Act in regard to such information, but we do not see it as any sort of departure from current circumstances, and I think that the industry has not thought of NECA as a strong regulator. NECA is not really a regulator and it is one of the points that we have made all along. Its roles are confused and one of the things that we need to do is to get clearer roles. That is the short answer and, again, if more is required on how we have answered, in consultation, the concerns of industry—however, I will put this on the record: that the industry is concerned about this and a number of things about the new regulator. I am somewhat encouraged by the fact that the electricity industry has some concerns about the new regulator because it indicates to me that the regulator will be what we hope it will be, a good, strong industry regulator, and I think that it is an enormously important interest to the public of South Australia, and industry is just going to have to accept that governments take an interest in a regulatory approach that approaches interests other than industry.

Division 1 passed.

Division 2.

The Hon. W.A. MATTHEW: Essentially this refers to investigation powers for the Australian Energy Regulator and 19 to 27 cover the search warrant powers. This has been the subject, as the minister would be aware, of considerable industry concern. Most are saying that the powers are heavy-handed and claim that at the very least the powers should be of last resort. Indeed, one stakeholder put it to me that this is the approach of using a sledge hammer to crack a walnut. I am mindful, however, that the search warrant powers effectively are based on the National Electricity Law and I have communicated that to industry, and it could well be, and this is part of the minister's point to my last question. It may indicate what a dog's breakfast the current law is in that these things have been raised and industry is coming to me, and others, as if it is something new.

I ask the minister whether to his knowledge there are any new powers that go beyond the existing National Electricity Law; or is his understanding similar to mine, that is, effectively the search warrant powers are as they presently exist? I am aware the Australian Energy Regulator is taking over the powers of the National Electricity Code Administrator and that they have enforcement functions. It is my understanding they are the same, but I want the minister to clarify that.

The Hon. P.F. CONLON: That is my understanding. We will check this, but it might be the power is more defined in this system. Certainly, NECA at present has the ability to go to a magistrate to get a search warrant. The protection, of course, is that they need to get a magistrate to issue a search warrant. It is not new. I do not think the power is unusual. I cannot imagine how anyone could expect enforcement without some investigatory powers. All I can say is that the industry has managed to live with NECA's having the power since 1998 and apparently has not noticed, so I do not think it is as frightening as they think.

Division 2 passed.

Part 4, Division 1.

The Hon. W.A. MATTHEW: This clause focuses on the functions and powers of the Australian Energy Market Commission. One of the concerns that has been put by industry has been in relation to the regulating powers in the National Electricity Law. I indicated during my second reading contribution that this new law seems to be more dependent upon regulation than is the old law. The minister would be well aware from my contribution in other debates that there are times where I have certainly indicated that I am supportive of regulation-making powers within the framework of legislation, as they can often ensure swifter government reaction to problems that might be identified. In view of the fact that we do have that concern expressed by industry, and in view of the fact that industry has been complaining that they did not have sufficient time to examine at least the draft regulations that are now available, I ask the minister what assurances he can give industry that the regulation-making powers in this new law are appropriate and that there may be benefits for industry rather than problems? I ask him, if that is the case, will he define those?

The Hon. P.F. CONLON: I am not sure whether the comments of industry are on earlier drafts. One of the things that was changed from the earlier draft was that the regulation-making power was going to confer functions, and that was removed as a result of consultation with industry. The intention of the regulation-making power is so that some things are not simply the decision of the AEMC, and at least there is a role for executive government in the formulation. It is accurate to say that some things should be done by executive government, not the AEMC, because I think a few people have contributed to the debate too closely to a faceless group.

The Hon. W.A. MATTHEW: One of the other concerns that has been put to the opposition is in relation to the very broad language that has been used in clause 29(2) and clauses 32 and 33, as we continue through this division. Clause 29(2) provides:

The AEMC has power to do all things necessary or convenient to be done or in connection with the performance of its functions.

It is all encompassing, certainly not very prescriptive, and ties in with the concern of industry as to how broad the powers of this group may be. Clause 33 provides that 'the AEMC must have regard to the national electricity objective', but not that it must comply with that objective. It provides that the AEMC must have regard to any relevant Ministerial Council on Energy statement, but not necessarily that it must comply with that. Certainly, I am aware, having been in this place for more than 15 years, that legislation has been passed by this parliament where we have required tribunals and other bodies to have regard to something—and they have given their regard to it and ignored it. I ask the minister whether he is confident this wording is tight enough to require the energy market commission to ensure that it complies with these things, rather than simply have regard to them and then dismiss them.

The Hon. P.F. CONLON: I honestly think that the industry is somewhat jumping at shadows. The AEMC must operate according to the act. It is created by law and it must operate according to law. The clause may be broad, but the restriction on any body created by statute is that it must operate in accordance with the statute as set out. It is one thing to say it is broad, but I find it hard to understand the industry's fear about what this body might do. From its perspective it might be some sort of frolic of its own. I cannot see what industry fears from this.

The Hon. W.A. MATTHEW: I cannot give the minister any specifics. The concerns of industry are generic. In fact, they have suggested an amendment to the section to require the AER to give effect to, for example, ministerial policy statements. Frankly, I cannot at this time come up with anything that could go wrong. I would agree that the wording is loose: I would have preferred it to be tighter. But, when one considers the ramifications of tightening up the wording, I think it more important that we use this debate to put the intent of the legislation on the record so that it removes some of the subjectivity, anyway.

Division 1 passed.

Division 2.

The Hon. W.A. MATTHEW: I wish to say something about clause 35. This is, to some extent, similar to the previous point. Again, the language is very broad and, in many respects, it is a feature of this bill. Clause 35 deals with the rules in relation to economic regulation of a transmission system. Clause 35(3) provides that rules made as required by this section must provide a reasonable opportunity for a regulated transmission system operator to recover the efficient costs of complying with a regulatory obligation; to provide effective incentives; promote economic efficiency; the making of efficient investments; efficient provision and, finally, have regard to any valuation of assets. They are very broad words: 'reasonable', 'efficient', 'effective', 'efficient provision', 'economic efficiency', and 'have regard to'. The interpretation could be subjective and, again, the industry is concerned that these things are difficult to quantify. I seek the minister's assurance about the intent of these clauses in the same way I did in the previous question.

The Hon. P.F. CONLON: This is, essentially, a provision for a review consistent with the provisions for regulating transmission in the AER, which is appropriate. Our view of submissions from industry—from regulated transmission assets—is that they want us to write a law that basically guarantees them an income without risk. I have news for them: it does not work like that. The intention of the system is to allow reasonable return—reasonable recovery—to people who operate transmission assets. But it is not our intention to write a law that basically underwrites a guarantee for people who want to be in the business of running regulated assets. We think this is a reasonable outcome. I think what they would really like to see is us writing a law that says they must get everything they want.

Division 2 passed.

Division 3.

The Hon. W.A. MATTHEW: My next question relates to clause 38, the Reliability Panel. I made brief mention of this panel during my second reading contribution to this bill. Essentially, the reliability panel exists under the existing code. But this bill statutorily requires that the Australian Energy Management Commission must establish a panel of people known as the Reliability Panel, the composition of which must be in accordance with the rules. Industry is concerned that the rules that have been then drafted provide what they believe is a consequence that is different to the indications they had previously been given. For example, it provides the Australian Energy Management Commission with the power to remove effectively at will a member of the Reliability Panel. It could be an industry member. They are concerned that an industry representative could effectively be summarily dismissed from that body by being removed and, thereby, denying them an appropriate voice. They are also concerned that there is not a more prescriptive requirement that they be mandatorily represented, and there are some concerns that probably have been communicated by industry to the minister about how voting might work with this panel to ensure that industry's concerns are taken into account.

The Hon. P.F. CONLON: The member for Bright will note that the AEMC will be required to establish a panel in accordance with the rules. The rules are not finalised. We are taking into account the comments the member makes and the comments that everyone makes in finalising those rules. We have an exposure draft on this. We have received some comments. The safeguard is that the AEMC must establish a panel according to the rules. From our perspective, we would like to see the work of the Reliability Panel transfer to the AEMC with as little disruption as is necessary. I think the requirement is that a commissioner will chair the panel. The current chair is John Easton. I think John has done a very good job but I assume that, unless he becomes a commissioner, he will not chair the new Reliability Panel. That might be an issue for some people. The bottom line is that the AMC will have to compose the panel in accordance with the rules which are being finalised and on which we are consulting and taking comment.

The Hon. W.A. MATTHEW: I take some heart from the minister's view that the transition should be as trouble free as possible and in accord with what occurs now. This type of concern really goes to the core of what I see is the developing angst in industry, and it goes back to the amount of time that was afforded for consultation. The minister has indicated that the time frame was not as he would have desired but rather a compromise with other jurisdictions. I urge the minister to point out to his colleagues that, if we are to keep the goodwill alive with the industry over the implementation of this legislation, things like this become imperative. This level of detail, when it gets down to the way in which the rules are employed, gives industry confidence in this market being able to work and work well and to keep up their goodwill (or not).

I can see no reason why the draft rules would have summarily handed the AMC power to dismiss industry representatives without good cause, and that is the issue. There is not even a requirement for a justification. I seek the minister's assurance that he will ensure that it is done in a way to retain industry goodwill.

The Hon. P.F. CONLON: Absolutely. I can indicate that the consultation on the rules is longer than the consultation on this. In fact, we will have a second draft within a couple of weeks, which will incorporate many of the matters that have been raised. Of course, they will not incorporate all because you cannot please everyone, but that will occur in a couple of weeks. I can assure the member for Bright that we want all powers operated with a view to industry having as light a regulatory hand as it can while protecting the public.

Division 3 passed.

Divisions 4 to 6 passed.

Part 5, Division 1.

The Hon. W.A. MATTHEW: I have received some comment in relation to clause 49(1)(b), which deals with the functions of the National Electricity Market Company. It is my understanding that this law does not change the role of the National Electricity Market Company, and essentially moves its role from the old law into the new. The concern expressed to me relates to subclause (1)(b), which provides:

> to promote the development and improve the effectiveness of the operation and administration of the wholesale exchange.

Those who have contacted me have indicated that they believe the words have broad meaning and that they are not essentially definable. They have asked whether anything will be in the rules that will define what is meant by 'promote the development' or 'improve the effectiveness', or whether it is simply something that is in the existing law that has been transferred across?

The Hon. P.F. CONLON: I think that the industry will just have to accept that it is very hard to nail down entirely prescriptive definitions in something of this nature. What appears there—and I will check to make sure that it is absolutely correct—has been drawn up from the current code, and it is very much what NEMMCO does at present. The only exception to that—and I will check this—is that clause 49(1)(e) is the provision to maintain and improve power system security. This particular reference to improving power system security may well be new, and that is because I am told that NEMMCO has been doing it for years without necessarily being given the power to do it. I do not think that anyone could object to such a requirement on NEMMCO. In short, the matters set out there have been drawn from the existing code.

The Hon. W.A. MATTHEW: I should make the quick comment that the member for Mitchell should take some heart from this and preceding questions, because it illustrates the very point that we were making earlier when he wanted more prescriptive detail in the bill in relation to renewables and energy efficiency. The whole of industry, all stakeholders, are experiencing the same dilemma. This bill is broad. It is framework legislation. Clearly, the detail must still be worked through.

Division 1 passed.

Division 2 passed.

Part 6, Division 1 passsed.

Division 2.

The Hon. W.A. MATTHEW: My next question relates to clause 64. As I indicated in my second reading speech, there will be times when I raise things in committee with which I do not necessarily have sympathy, but I believe that the democratic forum of the parliament should provide an opportunity for stakeholders in any legislation to express their viewpoint. With that in mind, it has been put to me by a number of stakeholders that they are concerned that the new civil penalties regime in the National Electricity Law has resulted in market participants being exposed to higher penalties, and they are advocating that the graduated classes of civil penalties in the existing National Electricity Law should be reinstated. As I said, that is not necessarily a viewpoint that I share. Was consideration given to reinstating the existing civil penalties under the National Electricity Law and, if so, why was it determined that the new regime would be more appropriate?

The Hon. P.F. CONLON: The member for Bright would know that with the size of the industry, the value of the assets and the amount of money that is turned over in the industry, penalties have to be meaningful. I assure the industry that it is not like it has been whacked around the ears on a regular basis. If you have a look at the market since its inception, you can hardly find anyone who has ever been penalised. I am sure that many of them would prefer that there were no penalties at all; that we all went away and left them to make money. But that is not going to happen, and we believe that this is appropriate, given the size of the industry and the amount of money that is available to be made by doing the wrong thing.

The Hon. W.A. MATTHEW: Some concern has been put in relation to clause 68, which is a new accessory provision, and it is also referred to in clause 85. I am probably jumping a bit further forward here but it may assist us in completing the debate in a more timely manner. Essentially, these are methods by which an employee who is not an officer as defined under the existing National Electricity Law could be prosecuted for a breach of rules by the corporation for which the employee works. There is some concern that this is placing the employee in a difficult and unfair position. Will the minister describe to the house the intent of these changes and what greater safeguards for the community he believes will be derived through their inclusion?

The Hon. P.F. CONLON: Clause 68 is a provision that is modelled on provisions in the Trade Practices Act. It is not an unusual provision. I would ask for your forbearance and bring back a more detailed answer. I am struggling a bit to understand the question as it relates to clause 85, but my advice is that it is a fairly standard provision and it is like numerous provisions in the Trade Practices Act. I must admit that it is not something I have turned my mind to as a matter of great moment, so we will get the honourable member a more detailed answer. But we believe that both provisions are fairly unremarkable in a range of laws.

The Hon. W.A. MATTHEW: I am satisfied with the minister taking that on board and can advise that my next question is in relation to clause 77 under Division 5, which enables the putting of the divisions preceding that, Divisions 2, 3 and 4, and the question that I had in relation to Division 5 has been answered, so we can also put that.

Divisions 2 passed.

Divisions 3 to 5 passed.

Division 6.

The Hon. W.A. MATTHEW: This comes back to the clause that I mentioned earlier, clause 85, and extends into clause 86. Some stakeholders have put to me their view that

there should not be concurrent liability for officers and corporations, nor liability for any person aiding, abetting or involved in a contravention of a civil penalty provision. My understanding is that in relation to concurrent liability there is in the existing National Electricity Law some coverage in relation to this.

I do not have sufficient knowledge of the effect of those clauses to be able to say whether they have been transposed into this legislation as they were or whether they have been changed in any way. Is it simply that the existing law has been transposed in this way or are there further extensions of powers that have been conferred?

The Hon. P.F. CONLON: It is not a direct transfer of existing law because, as I understand, there has been an attempt to make it more consistent with provisions such as those in the Trade Practices Act. These are not remarkable or unusual provisions in this sort of regime. In fact, I struggle a little to understand the criticisms by industry of the provision about corporations. There is a famous saying in very old corporation law that says, 'If they have no body to kick and no soul to damn, they operate through people.' So, it is not unusual that the provisions are aimed at the people who act from corporations. Some of it is new to electricity law, but it is certainly not new to these sorts of regime in general. My adviser says that it is very common. We will get the member fuller advice. However, I can honestly say that I think the member will find the answer most unremarkable.

Division 6 passed.

Part 7, Division 1.

The Hon. W.A. MATTHEW: I refer to clause 87 and the definition of 'urgent rule', which provides:

> urgent Rule means a Rule relating to any matter or thing that, if not made as a matter of urgency, will result in that matter or thing imminently prejudicing or threatening—
>
> (a) the effective operation or administration of the wholesale exchange operated and administered by NEMMCO; or
>
> (b) the safety, security or reliability of the national electricity system.

Stakeholders have put to me that the effect of this definition is that many matters that were previously able to be addressed on an urgent basis effectively are no longer able to be addressed on an urgent basis because, while they might cause substantial disruption, they might not prejudice or threaten power system security or reliability or effective operation of the wholesale exchange. For example, they said that matters relating to the pricing of network services or potentially ancillary services will not be able to be addressed through an urgent rule change, given that they are unlikely to prejudice the effective operation or administration of the wholesale exchange operated by NEMMCO, or the safety, security or reliability of the national electricity system.

I understand that a number of stakeholders have addressed this concern to officers who have been working on the bill. They have requested a change to the definition of 'urgent rule' to refer to a change which the Australian Energy Market Commission considers by its nature to be urgent, so effectively empowering the AEMC to apply that test. Will the minister advise whether these concerns have been taken into account and, if so, why they were not agreed to?

The Hon. P.F. CONLON: I understand the points that have been made. The reservation I have about that is that it would become a very broad discretion in the AEMC as to what is an urgent rule. It seems a little inconsistent, where industry can describe some powers as being too broad for them to be asking for one which basically gives a policy discretion to the AEMC. These are complex considerations, and I undertake to get a fuller answer for the member, before the matter is dealt with in the upper house, as to the reasons why these have been dealt with in this way

The Hon. W.A. MATTHEW: I am satisfied with the minister giving that undertaking. My next question relates to clause 88, which is the rule-making test to be applied by the Australian Energy Market Commission, and I refer particularly to clause 88(2). Under this clause, the Australian Energy Market Commission is given the ability to determine the weight given to particular aspects of the national electricity market objective. Some stakeholders claim that this, together with the nature of the objective itself, means that the commission effectively has an almost unfettered discretion in exercising its rule-making functions. I know from the previous question I asked the minister that they now want the broad power they are criticising. Nevertheless, industry has expressed concern about this measure.

Its view is that, to provide effective guidance for the Australian Energy Market Commission and to ensure that the commission is accountable for the manner in which it exercises its powers under clause 88, it should be amended to require that the commission give equal weight to various aspects of the national electricity market objective. Will the minister advise whether any consideration has been given to that and, if not, why it was not acceded to?

The Hon. P.F. CONLON: Honestly, other than the provision about ministerial council's policy decisions, which I will come to in a moment, basically it states what the AEMC would be doing in any event. When it deals with a decision on a particular matter, it will give different weight to different aspects of the objective. It is not unusual to think that, if the AEMC is dealing with a decision or an issue that is essentially about the reliability aspect of the market, the weight will be given to the reliability consideration. I think it actually sets out what would occur if there was nothing stated, in any event.

In regard to the provision concerning policy statements of the MCE, it was put to us over a number of years that there was a policy vacuum in rule-making in the national electricity market and this was written in because we want the AEMC to give regard to policy decisions of the various jurisdictions expressed through the Ministerial Council on Energy. We think that is a positive reform. In my view, the rest of it merely states what people would do in any event.

I think a lot of industry criticisms have been brought about because its members feel peeved that they did not get a long consultation process and so they have attempted to find criticism everywhere they can. I think these things will show themselves to be nothing to really worry them.

The Hon. W.A. MATTHEW: I suspect the minister may well be correct that a lot of what we are, unfortunately, having to deal with tonight is a by-product of the lack of consultation, and it is my view that if further debate had occurred on some of these matters at officer level I would not need to ask these questions now.

The Hon. P.F. Conlon: Believe me, you will never satisfy the regulated networks until we underwrite their profits.

The Hon. W.A. MATTHEW: The minister may be right there; satisfying regulated networks is indeed a difficult task. Nevertheless, I believe that the undertakings given, namely, that if these questions are not able to be answered tonight information will be sought between the passage of the bill in this house and the other house, ought give the industry some satisfaction that a genuine attempt is being made to answer

its concerns, and to do so before the bill passes to salvage some of the goodwill that exists in relation to this. I repeat that no energy market participant has actually put to me that they want this legislation defeated. They all want something to happen but, needless to say, they wanted to have their opportunity to contribute.

Division 1 passed.

Division 2 passed.

Division 3.

The Hon. W.A. MATTHEW: My next question relates to clauses 99(3) and 103(3), which give the Australian Energy Market Commission the right to publish a draft rule determination, which is, effectively, different to the proposal in clause 95.

The concern by stakeholders is that, as they see it, there is no requirement for the Australian Energy Market Commission to consult with rules participants or interested parties if it decides to vary a rule from that proposed or which forms the basis of the draft determination. They concede that, while processes for submissions in response to a draft rule determination provide some protection in relation to changes made from a proposed rule, the discretion granted under clause 103 means that the Australian Energy Market Commission can make a rule that is substantially different from that they may have consulted upon.

In fact, the industry has gone further in saying that it is its view to ensure that adequate consultation occurs. The industry believes that it should be the duty of the Australian Energy Market Commission to consult further if the rule it proposes is materially different from that which was the subject of the draft rule determination, and industry members have recommended that an amendment be made to clause 103 to require the Australian Energy Market Commission to do just that: to issue a new draft rule determination if it proposes to amend a proposed rule from that which was the subject of a draft rule determination.

The Hon. P.F. CONLON: I think one of the purposes of this reform, for very good reasons, has been to make the rule-making process a little more responsive than what is at present an appalling system. You have to look at the whole context of the way rules will be made. The AEMC is, if you like, the holder of rules. Proposals to change rules will generally be initiated elsewhere by another party, and this allows the AEMC to consult and discuss that proposal but then not to be bound to say either yea or nay, which I think is a problem.

One of the problems we have had in the past is the approval process with the ACCC, which says yea or nay, and then NECA goes off, starts again and comes back; they say yea or nay, and it is an endless conversation. The purpose of this is to be able to make a different rule from the one initially suggested on the matter initiated without having to go back again and go through another round of the process discussing the rule change. Industry might think that it should have an endless debate on what rule is finally made, but the view is that the AEMC, acting according to the objectives, the law and, taking into account ministerial policy, should be able to streamline a rule making process. That is the purpose of this. The interested parties may well think that they should get to have a conversation at every step of the way, but we would actually like to see the rule making process be far more responsive than it is at present and far speedier.

Division 3 passed.

Division 4 passed.

Part 8 passed.

Part 9.

The Hon. W.A. MATTHEW: My next question is in relation to clause 120, which extends a question I asked before in relation to the definition of 'an officer'. The definition of 'officer' has been extended to be different from that in the existing law to the new law in that 'an officer' is defined more broadly which increases the scope of persons who may be liable for acts. I have confused the existing law sections 119 and 120 with this one. I have asked the minister a question in relation to that; so, that being the case, I am satisfied with Part 9 in view of the questions I have asked before.

Part 9 passed.

Schedule 1.

The Hon. W.A. MATTHEW: My question in relation to Schedule 1 focuses on paragraph 13 which now reads that rules can be made in relation to access to electricity services provided by means of transmission systems and distribution systems. Electricity services are defined in this bill as follows:

> . . . services that are necessary or incidental to the supply of electricity to consumers of electricity, including—
>
> (a) the generation of electricity;
>
> (b) services provided by means of, or in connection with, a transmission system or distribution system;
>
> (c) the sale of electricity;

As a result, when one takes into account the definition of electricity services, the provision in paragraph 13 allows for the making of rules in relation to any service provided by means of or in connection with a transmission or distribution system as long as that service is necessary or incidental to the supply of electricity to consumers of electricity. Some of the industry participants have expressed to the opposition that this represents a substantial expansion of the services for which access can currently be gained under the existing code. In particular, at present, access can only be gained for network services, in the case of transmission networks being transmission services, which are defined in Chapter 10 of the existing code or at least in part as being:

> The service provided by a transmission system associated with the conveyance of electricity.

Given the expressed intention of the amendments made to the National Electricity Law by this bill and the replacement of the code with the rules was not intended to effect substantial change, the industry has argued that paragraph 13 of the schedule should be amended such that it only applies to network services as defined under the code. I mentioned this in part in my second reading speech and I also indicated that I had questioned my federal colleagues in relation to this and that they had assured me there was no intent on their part to go beyond those provisions which currently exist.

I ask the minister whether he has concerns in relation to the broader scope that is made possible through paragraph 13 in this schedule, and whether consideration has been given to amending paragraph 13 so that it applies only to those network services as currently defined under the code. Certainly, industry has expressed this view to those who have been drafting this legislation.

The Hon. P.F. CONLON: The ACCC's advice is that this is no wider than the current code. It is an enabling provision and it may be stated in a different way but the advice that we have is that it is no wider than the current code. I will dig up that advice and provide it to you.

The Hon. W.A. MATTHEW: I thank the minister for that offer and I will be grateful for the receipt of that advice.

In the true spirit of the discussions that we had earlier tonight, I am pleased to advise the committee that the opposition is happy for all schedules to be put to the committee.

Schedule 1 passed.

Schedules 2 and 3 and title passed.

Bill reported without amendment.

The Hon. P.F. CONLON (Minister for Infrastructure): I move:

That this bill be now read a third time.

I wish to thank the opposition. I will put on the record that I might have done the opposition an injustice, because I was advised earlier today that this would be a very long and slow process and I complained to *The Financial Review* about that. But I will correct those comments to *The Financial Review*, because the bill has actually passed four days earlier than my forecast. I can only say that that is what I was told this morning, and I am very glad that that was not the case. It is a very important piece of reform. Much has been said, and I will simply say that I understand all the reservations about this method of legislation but, if we are in a federal system, to achieve some uniformity of approach in a major, national concern, this is the only system that we have. Winston Churchill said, about democracy, 'It is a terrible system but it is better than any of the others.' So, I thank the opposition for its assistance and I indicate that we will certainly provide all the information that I have said they will receive prior to the matter being dealt with in the upper house.

Bill read a third time and passed.

ADJOURNMENT

At 10.56 p.m. the house adjourned until Wednesday 2 March at 2 p.m.