LEGISLATIVE COUNCIL

Tuesday 24 March 1998

The PRESIDENT (Hon. J.C. Irwin) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Regulation under the following Act—

Bank Mergers (South Australia) Act 1997—
St George/Advance

By the Attorney-General (Hon. K.T. Griffin)—

South Eastern Water Conservation and Drainage Board—
Report, 1996-97

By the Minister for Justice (Hon. K.T. Griffin)—

Police Act 1952—Directions to the Commissioner of Police.

HEALTH CARE

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a ministerial statement made by the Premier, in the other place, on the subject of health funding and the Premiers' Conference.

Leave granted.

FIREARMS

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a ministerial statement made by the Premier, in another place, on the subject of gun control.

QUESTION TIME

ADELAIDE AIRPORT

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the airport levy.

Leave granted.

The Hon. CAROLYN PICKLES: During August last year the Premier was reported as raising the question of passengers having to pay a levy for using Adelaide Airport. A spokesperson for the Premier was quoted as saying that he expected the levy to be about $2 per passenger. As part of the Adelaide Airport announcement, the Federal Finance Minister (Hon. John Fahey) said that the new terminal will be paid for with a passenger levy of between $2 and $5 per passenger. Mr Fahey stated, when asked why the Premier was not at the announcement of the $362 million airport deal, 'It's got nothing to do with the Premier, with the greatest of respect.' Will the Minister give an undertaking that the airport levy that is to be introduced to pay for a new terminal will not rise above $2 per passenger and, if not, what is the maximum amount that passengers will pay?

The Hon. DIANA LAIDLAW: I will direct the question to the Premier (he has been leading all the negotiations, in terms of the airport terminal, with the Federal Government, including the Minister for Finance) and bring back a reply.

VICTORIA SQUARE

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister representing the Minister for Environment and Heritage a question about Victoria Square.

Leave granted.

The Hon. T.G. ROBERTS: In the *Advertiser* last Monday there was an article on page 13 headed 'Square "Special Site" for Kaurna', in reference to the Kaurna Aboriginal people. The article was by Brett Clancy, who was expressing an opinion. The article states:

> Victoria Square should be declared a significant Aboriginal site and promoted as a base for indigenous art, an Aboriginal leader says. The chief executive of the Aboriginal Sobriety Group, Mr Basil Sumner, said the Square could be made a tourist attraction by urging Aboriginal and other artists to work there. 'They could sell their works to tourists and really make it an area to be proud of,' he said. 'It will not happen overnight but I think we have to look for some positive solutions.'

Although members may not agree with the particular use outlined by Mr Sumner, I believe that good use would be made of it by Aboriginal artists—but each individual member might have a different view as to how it should be used. However, I believe that it is certainly a unified view that something needs to be done to Victoria Square to make it a more attractive area, not only for Adelaidians and South Australians generally but for tourists as well.

In the *City Messenger* of 25 March an article by Leonie Mellor headed 'Armitage contradicts Kotz over Aboriginal sobering-up centre' states:

> Two Government Ministers are at odds over the reasons for delays in setting up an Aboriginal sobering-up centre in the city. The office of Aboriginal Affairs Minister Dorothy Kotz told the *City Messenger* this month that plans for the sobering-up centre had been shelved because Aboriginal agencies chose to direct funding to programs at Yalata. But Adelaide MP and former Aboriginal Affairs Minister Michael Armitage has rejected this, saying it was 'absolutely not' the case. 'If anyone's telling you that, that's completely fallacious,' he said last week. Dr Armitage said a site, in the city's south-west corner, had been earmarked for the centre, during his time as Aboriginal Affairs Minister. About $500 000 had been budgeted and months of consultation took place with the city council, Aboriginal community and key stakeholders.

It is quite clear that the former Minister for Aboriginal Affairs did conduct a wide range of discussions and talks with the stakeholders in relation to trying to get a settled position for the square; he tried to involve as many people as possible in coming to a reasoned solution. The Aboriginal—

Members interjecting:

The Hon. L.H. Davis: Where are you on this?

The Hon. T.G. ROBERTS: I am standing over this side—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The honourable member answering the question does not have to state his opinion.

The Hon. T.G. ROBERTS: Thank you, Sir. I would have been in breach of Standing Orders if I had proffered an opinion, as requested by the interjection of the honourable member.

The appearance of a division between both Ministers makes it all the more confusing because many people, including staff of the Adelaide City Council, have put in a lot of work in relation to this issue. They have a special committee designated to finding ways to use the square in a more constructive way. Certainly the traders around the square are interested in making sure that a more constructive way of

using the square is introduced, and I am sure there are members on the other side who would like—

Members interjecting:

The Hon. T.G. ROBERTS: My interest in Aboriginal people and in relation to the square, on behalf of all of Adelaidians and South Australians and national and international tourists, is to ensure that the square is used as constructively as possible. I thought that was the case for all members in this Chamber, but obviously it is not. My questions are:

1. When will the Government put forward a constructive proposal for a combined use by Aboriginal and non-Aboriginal South Australians of Victoria Square?

2. Will the recommendation being put forward by Mr Basil Sumner be part of that assessment?

The Hon. DIANA LAIDLAW: I advise the honourable member without qualification that there is no division and confusion between Minister Armitage and Minister Kotz as to Aboriginal sobriety issues and Victoria Square. I can confirm, too, that the journalist Leonie Mellor has either deliberately or unwittingly pulled together two conversations as though they were current conversations on these issues, when in fact they occurred two years apart. The Hon. Dr Armitage was referring to a situation that developed when he was Minister for Aboriginal Affairs some two years ago when he said, quite rightly, that funds had not been shelved for this project, which concerns Aboriginal wellbeing, alcohol use and drunkenness in Victoria Square, to go ahead.

Minister Kotz was talking about a current situation and, as I said, the journalist concerned did not make a distinction in terms of the two-year period over which the Ministers made those statements but pulled the conversations together and suggested that Minister Armitage contradicted Minister Kotz. They were talking about two different instances in time, so I am pleased to be able to put that matter on the record. Although all of us in this place would accept from time to time that it is an occupational hazard to be misunderstood, we should never accept lax journalism in relation to the facts.

From my own perspective as Minister for the Arts, I am a great enthusiast of and advocate for increased participation by Kaurna Aboriginal artists within the CBD and elsewhere. In terms of the Gerard community, Berri is a fine example of where young Aboriginal artists have been actively involved in mural work under its bridge. I know that those young people who were deemed rascals in the community are now deemed artists, and this Sunday I am going to see sculpture work that they have done in the Berri area, and I am looking forward to it very much.

I also inform the honourable member that the Lord Mayor and I, together with representatives of Arts SA, have discussed opportunities for more Aboriginal artists to be involved in the painting of murals, possibly, under the Morphett Street and King William Street bridges, and also on the pathway linking those two bridges in Elder Park. We are keen to see such projects or other efforts with respect to reconciliation, and the arts is a stunning vehicle for such effort. In the wider community and amongst our visitors it will create new respect for Aboriginal arts, and it will also create a new sense of purpose and confidence in the future amongst Aboriginal people, giving them a stronger knowledge and pride, and letting them use their art on a daily basis. Certainly, Tandanya is helping us with such initiatives.

The honourable member asked whether the buses could be used. I have in mind a project in terms of the *Popeye* being painted, just as a Qantas jet was painted some years ago. I am not a great fan of the gondolas on the River Torrens lake, but *Popeye* is a favourite—

The Hon. T.G. Roberts interjecting:

The Hon. DIANA LAIDLAW: No. The Hon. Murray Hill and I have a difference of opinion on that matter. I do think there is an opportunity whereby, instead of being white and pristine, *Popeye* could do a lot more for tourism and Aboriginal arts. There are a number of opportunities—whether it be Victoria Square or the River Torrens lake area—and I share the honourable member's enthusiasm to see more Aboriginal arts and artists working in the Adelaide area. I will get an answer to the honourable member's specific questions and bring back a reply.

ELECTRICITY, PRIVATISATION

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about the sale of ETSA.

Leave granted.

The Hon. P. HOLLOWAY: The Government's Sheridan report into the sale of ETSA and Optima Energy found that a sale price of $4 billion will return net budgetary savings of only $29 million per annum at current interest rates, even after allowing for reduced dividends of $150 million per annum. A sale at $3.5 billion or less will result in a budgetary loss. In its recent economic briefing report for March, the South Australian Centre for Economic Studies noted:

> It seems unlikely in our present state of knowledge that the net beneficial effects of all the asset sales presently in contemplation will fully offset the potentially adverse effects of current budgetary cost pressures.

My questions to the Treasurer are:

1. Does the Government have a minimum price for the sale of ETSA and Optima Energy?

2. Is that price budget positive, or is the Government prepared to sell at a loss, in other words, at a price which would not reduce interest payments on State debt by more than the loss in dividends received?

The Hon. R.I. LUCAS: After the previous question, that was all guns blazing from the Opposition. If the honourable member has not had a chance to keep up with his financial reading in terms of the relative values of electricity assets nationally at the moment in the context of the national electricity market, I refer him to a number of articles including another article from Chanticleer in the *Financial Review* today. The silliness of the question should be only too apparent to the honourable member, the Deputy Leader of the Opposition, the shadow Minister for Finance or, in his own opinion, the Leader-in-waiting of the Legislative Council.

The Sheridan report is an important one within the context of the discussion on the budgetary considerations of the ETSA and Optima sale. As Mr Sheridan indicates—and as I have indicated publicly—it does not seek to canvass all the thousands of questions which relate to the sale of ETSA and Optima: it is only one of a number of reports. Mr Sheridan is a respected consultant at the moment as he is the next best thing to an Auditor-General, namely, a former Auditor-General, and is respected by all in the community and the Parliament in terms of his knowledge of financial matters, particularly his knowledge of budgets and budgetary issues.

The Sheridan report does not indicate what the electricity assets might be sold for. As I have indicated before, we will not indicate publicly what we consider we might get for the electricity assets, because if people are prepared to pay a lot

more than what is our current advice and consideration we will be delighted.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Government is interested in trying to sell them for more but the Deputy Leader of the Opposition is only concerned about whether we will sell them for less. The Deputy Leader of the Opposition wants to know whether we will give them away or pay people to take our electricity assets. You do not run Government in the way that the Deputy Leader postulates. You do not manage an asset sale—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I know that the honourable member is just asking and I am just explaining: you do not manage an asset sale in the particular way that the Deputy Leader of the Opposition is suggesting. Mr Sheridan has indicated that you work through all the possible asset sales that have been publicly speculated and, as I have said, the *Financial Review* recently, for example, and others, have talked about various values of $4 billion, $5 billion and $6 billion. I am not speculating as to which, if any, of those might be right; we obviously hope for the maximum value, even higher.

Mr Sheridan concludes that, within those parameters, the net budget improvement, on an annual basis, depending upon the various interest rates which apply at the time of the sale and, as we indicated previously, it might be anything up to two years before we get in all the money, is somewhere between $29 million and $297 million a year. The Hon. Mr Holloway wants to talk about losses to the budget as a result of the electricity assets sales. The honourable member wants to quote from Mr Sheridan's report to seek to develop some sort of a story that there will not be a significant benefit to the budget.

I have indicated that, first, we will not reveal the expected value of the assets but, based on the very best advice that we could gather in terms of making this decision, we believe that there will be a significant net benefit to the annual budget from the sale of the electricity assets.

The Hon. K.T. Griffin interjecting:

The Hon. R.I. LUCAS: As the Hon. Mr Griffin indicates, there is a significant issue about the reduction of risk. I will not go through all these issues, but there is one area in relation to the reduction of risk which Mr Sheridan does directly address, and I want to remind the Hon. Mr Holloway of this issue. If we adopt the Rann/Holloway fiscal solution to the dilemmas confronting South Australia—heaven forbid—that is, do not sell off the electricity assets and leave the $7.4 billion debt that we inherited as it is over the next four years—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: We will not talk about that at the moment. Let us just leave the debt as it is. We asked Mr Sheridan to look at what would happen—and we are at historically low interest rate levels at the moment—over the coming years if there happened to be an increase in interest rates. Depending on the extent of the increase, Mr Sheridan looked at the effect of a three percentage point increase in the general level of interest rates.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: I will not comment on that. Mr Sheridan indicates that up to an additional cost of $123 million a year to the State budget might be at risk. To be fair, Mr Sheridan also highlights that there are issues he hopes and anticipates our financing authority might undertake through hedging contracts, etc., to try to reduce the impact of that interest rate increase. But, potentially, many tens of millions of dollars, up to a maximum of $123 million a year extra, under the Rann/Holloway plan, are at risk to look after the finances of South Australia. Where is that—

The Hon. T.G. Cameron: At least they have got a plan.

The Hon. R.I. LUCAS: The Hon. Mr Cameron says, 'At least they have got a plan.' This plan says that we have to find another $123 million by cutting farther into schools, hospitals and police services because—

Members interjecting:

The Hon. R.I. LUCAS: That is the Rann/Holloway plan. They are saying, 'Do not sell off the electricity assets'—a significant additional benefit to the annual budget. Not only is there a significant additional benefit to the budget of up to $297 million a year but also one has removed the risk of an interest rate increase, which could see an additional cost of $123 million a year. The Rann-Holloway alternative to the proposition is further cuts in teaching numbers, doctors, nurses and police.

Members interjecting:

The Hon. R.I. LUCAS: We are talking about the Olsen/Lucas Government alternative.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Whatever we might have seen in the past four years would pale into insignificance if one had to follow the fiscal plan being suggested by Mr Rann and the Hon. Mr Holloway in terms of their response to the sale of electricity assets. In conclusion, all the advice that the Government has is that there will be a significant net positive benefit to the State budget, moneys which will be available to be spent in areas such as education, health and police services.

RIVERLINK

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about the Riverlink connection between New South Wales and the South Australian Electricity Trust.

Leave granted.

The Hon. SANDRA KANCK: The Olsen Cabinet approved the Riverlink proposal in principle on 22 December 1997. On 17 February the Premier announced his intention to privatise ETSA and Optima. Effectively, the Premier had announced his intention to reduce the value of Optima by opening it up to competition to a flood of cheap electricity from New South Wales before—not even two months later—announcing his intention to sell that devalued asset. So, effectively, the Premier talked down the price of Optima Energy.

The stated purpose of Riverlink is to meet expected shortfalls in the generation of electricity in South Australia by 1998, particularly during peak demand. The argument in favour of Riverlink exists entirely on its financial benefits. The cost to Riverlink is estimated to be $100 million, half of which will come from State Treasury and the other half from New South Wales. Access to cheap electricity is the carrot. The alternative would be to repower the Torrens Island Power Station.

In a meeting with Mr Cliff Fong from the Office of Energy Policy last December, I was told that the repowering of TIPS would cost approximately $250 million and was

therefore not comparable to the Riverlink proposal. By contrast, I received an analysis that costed the total installation of two GE frame 9E gas turbines with the combined capacity of 210 megawatts at just $92 million. This enormous discrepancy brings the riverlink proposal into question. Its viability is greatly diminished if the $92 million figure for repowering TIPS is accurate.

It is acknowledged that there will be a maximum five year time frame for cheap electricity as a result of oversupply on the Eastern Seaboard but it could be as little as two years. Once the oversupply is taken up the price of electricity will inevitably rise. In the meantime, Optima could be forced to generate only occasionally or even find that some of its generators will be mothballed and an opportunity to produce cost-effective and more environmentally benign energy would be lost. My questions to the Minister are:

1. Has the Minister assessed the impact of Riverlink upon the asset value of Optima Energy?

2. If so, what is the assessed effect?

3. Has the Minister calculated the impact of growing national demand upon electricity prices in the national market?

4. Has the Minister considered the possibility of a carbon tax and its implications for the competitiveness of gas fired electricity?

The Hon. K.T. GRIFFIN: I will refer the question to the Minister in another place and bring back a reply. I think the presumption upon which the honourable member works is not correct, that somehow this has devalued the ETSA-Optima price, but I think—

An honourable member interjecting:

The Hon. K.T. GRIFFIN: I am just making the observation that I do not believe that is the case, but I will ensure that there is a well-reasoned response to the honourable member's question in due course.

SECURITY INDUSTRY

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief statement before asking the Attorney-General a question about the private security industry.

Leave granted.

The Hon. CAROLINE SCHAEFER: In the *Australian* of yesterday and again today there were articles in relation to the private security industry. These articles suggest that elements of the private security industry are involved in criminal activities, are violent and pose a risk to themselves and the public. Do these articles accurately reflect the situation in South Australia as it is at the moment?

The Hon. K.T. GRIFFIN: I have seen the articles in the *Australian*: they are very much sourced out of New South Wales and relate to significant changes in the private security legislation which deals with the private security industry in that State. Using that as a peg, there has been some comment in those articles about the industry in other parts of Australia, including South Australia. I should make the point that in this State we enacted a new Security and Investigations Agents Act a couple of years ago as part of a general review of occupational licensing legislation in this State and tightened up the law quite significantly. In addition, we brought together all the legislative framework that applies to security, investigation agents and crowd controllers (or, as they are more commonly described, 'bouncers').

The articles in the *Australian* do not accurately portray the current situation in South Australia with respect to the licensing regime that applies and the nature of the industry in this State. The first issue is that some licensed private guards are involved in criminal activity, are violent and pose a risk to the public and themselves. It was not clear from the article as to whether they were referring to all security guards, including crowd controllers (or bouncers), or security guards in isolation.

I can tell the Council that as at 23 March 6 913 persons were licensed under the Security and Investigations Agents Act in this State, and it is possible that some of those might be involved in unlawful activity or may be violent. The Liquor and Gaming Commissioner, as part of the general approach to liquor licensing in South Australia, takes a keen interest in the behaviour of crowd controllers and there have been either prosecutions for assault initiated or disciplinary action taken in relation to those crowd controllers who can be identified and in respect of whom there is a belief that the law has been broken, whether in relation to licensing or the criminal law.

In this State we issue two types of licence: a security agent's licence and an investigation agent's licence. The security agent's work covers a range of activities. The applicant must satisfy the Commissioner that he or she has qualifications and experience and that that person has not committed any of a number of prescribed offences. That is ascertained by a national police clearance certificate, which must be produced. The sorts of offences that preclude an applicant from being licensed include: an indictable offence; a conviction, particularly for offences of dishonesty or simple larceny; common assault; offences against the Controlled Substances Act, involving a prohibited substance; an offence against the Police Act; an offence against the Listening Devices Act; an offence against the Telecommunications (Interception) Act; an offence against the regulations under the present Act or the repealed Act; or an offence that is substantially similar. So, there is a wide range of offences for which security and investigation agents and crowd controllers can be disbarred.

In this State also, with crowd controllers some requirements are in place whereby they would be identified by a licence number, which makes their identification by disenchanted patrons easier to achieve than previously, and quite substantial penalties are involved if they do not behave in a way consistent with the standards required either under the legislation or under the criminal law. In a number of cases prosecutions have been launched, which are taken in an endeavour to ensure that the industry is kept clean. As I said at the outset, no-one can ever guarantee that the industry is 100 per cent free of offenders, but what we seek to do is weed them out at an early stage and ensure that, if they are licensed, disciplinary action is taken and that, if they are not licensed, they do not achieve a licence in the future.

In this State quite comprehensive legislation is in place to deal with the industry, whereas in New South Wales, where this story originated, there is not such comprehensive legislation in place although, as I understand the articles, it is intended that that will be substantially upgraded.

IMMIGRATION

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier and Minister for Multicultural Affairs, a question about the Immigration SA program.

Leave granted.

The Hon. CARMEL ZOLLO: I have had brought to my attention that recently the current affairs program *This Day Tonight* ran a story concerning the Government's Immigration SA program. As a strong supporter of immigration, which has enormous economic and cultural benefits, I was concerned that the feature was very critical of the manner in which the scheme was being administered to fill job shortages in key industries, such as information technology, and to boost the population of skilled migrants in the State. The program suggested that dozens of skilled migrants have been lured to South Australia with the promise of both employment and financial support. According to the program, the reality for dozens of families has apparently been anything but.

It also exposed an apparent confidential agreement that the Government and one of the families entered into for settlement and discharge of $2 800, on the condition that they would not pursue the matter further. Two people who were interviewed in the feature are apparently awaiting the outcome of an appeal that could have serious ramifications for laws that exclude new arrivals from social security allowances. Apparently, the pair has already won an appeal to the Social Security Appeals Tribunal. Viewers were informed that the tribunal was highly critical of the information supplied by the Chief Executive Officer of the Office of Multicultural and International Affairs to prospective migrants to the State. Although I did not see the program on the night it went to air, I have now reviewed a copy. I must say I was surprised that, when viewers were shown images of the Chief Executive Officer of the Office of Multicultural and International Affairs, I was featured in one of the photographs.

That photograph, which included several other people, was taken at the AGM of the Multicultural Communities Council last year, a matter totally unrelated to the feature story. The photograph may have given some members of the community an impression that I was privy to or directly involved with this program, which is clearly not the case. I am very supportive of immigration programs and of South Australia's being able to attract a greater share, particularly in genuine areas of skill shortages. My concern is to ensure that prospective migrants are provided with accurate information and that follow-up assistance and monitoring is provided after arrival. The *This Day Tonight* program also indicated that further trips were under way to recruit migrants under the Immigration SA program and that, whilst a revised information kit was being used, it apparently still contained an error regarding visa categories. My questions are:

1. How many migrants has South Australia attracted under the Immigration SA program, listed by country and skill category?

2. How many have been successful in finding employment in their field of expertise?

3. What is the average time taken to obtain employment?

4. How many have been successful in accessing loan financing under the migrant settlement loan scheme?

5. Given Federal Government restrictions on access to welfare services, what State Government assistance is provided to those migrants unable to find employment in their field of expertise?

6. Does the department intend to continue with further recruitment overseas under the scheme?

7. When will the current review of the Office of Multicultural and International Affairs be completed, and will it be tabled in Parliament?

The Hon. R.I. LUCAS: I will refer the honourable member's questions to the Minister and bring back a reply.

LABOR PARTY FACTIONS

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Leader of the Government a question about friction in ALP factions.

Leave granted.

The Hon. L.H. DAVIS: The *Advertiser* of Saturday 14 March carried what obviously was a very well sourced story, by political reporter Phillip Coorey, headed 'ALP faction decimated by defection'. This story was corroborated by South Australia's only Internet newspaper, the *Electric Newspaper* (to which, I should declare, I am a contributor), in an article on 17 March headed, 'Leftovers in ALP.' The *Advertiser* article revealed that the Labor Party centre left group, once the most powerful group, now has none of the 91 union affiliates at the ALP convention. There have been mass defections to the right, including Quentin Black, the Labor candidate for Hartley at the 1997 State election, and Sue Swan, sub-branch Secretary in Ross Smith, the electorate held by former Deputy Leader Ralph Clarke, which in itself is very curious because he remains in the centre left.

The *Electric Newspaper* article claimed that the further collapse of the formerly powerful faction may have disastrous consequences for Ms Lea Stevens, the only centre left front bencher left in the House of Assembly. It also notes that the factional shift is bad news for former Federal Minister and Centre Left Senator Chris Schacht, who seems certain to lose his spot at the forthcoming Federal election. It is clear that in the northern suburbs the machine will protect the Deputy Leader Annette Hurley, Trish White, Mike Rann (the Leader) and Jack Snelling, who clearly shelters under the umbrella of Mr Don Farrell. Now we have the extraordinary spectacle of the left and right wings of the Labor Party putting pressure on Ms Lea Stevens, the health spokesman. Some would argue that in fact Ms Stevens has become Mike Rann's main political squeeze. It appears that she is likely to lose her spot as health spokesman under pressure from the machine and that her preselection could also be in jeopardy. Ms Stevens cannot rely on support—

Members interjecting:

The Hon. L.H. DAVIS: Mr President, you can see how tetchy members opposite are by this relentless barrage of interjections and how closely I am cutting into their bone. Ms Stevens cannot rely on support from Mike Rann because, when Ralph Clarke was fighting for his life to hang onto his deputy leadership in that bloody battle with Annette Hurley, Mike Rann showed his leadership by being unavailable on the critical weekend—he was out bushwalking. As one observer noted, that sort of behaviour from Mike Rann takes the 'p' out of 'leadership'. My questions to the Leader are:

1. Is the Leader of the Government aware of these disturbing reports, and can he comment on this unhealthy instability in the Labor Opposition?

2. Can he explain how the extreme Left and Right of a political Party can be comfortable bedfellows?

The PRESIDENT: I point out to members that, under Standing Order 107, a question such as that is clearly irrelevant to the business of the Council, and I will not tolerate too many more questions such as that.

The Hon. R.I. LUCAS: I believe that in the past a number of Premiers and Prime Ministers have said that the quality of government that is provided in this House, in the

other House and in South Australia is sometimes seen to be directly proportional to the quality of the Opposition—the opposing forces. Sadly, we are seeing an Opposition Party, an alternative Government, in South Australia—as the Hon. Mr Davis very eloquently outlined in his explanation to his question—divided amongst itself. One has only to look across the back benches in this House, to the Hon. Mr T. Cameron and the Hon. Mr Ron Roberts, to demonstrate clearly the instability that exists within the Opposition and the alternative Government in South Australia.

As a one-time very avid watcher of the factions within the Labor Party years ago, before the rise of the machine, I would have bet good money—and my own money—against seeing Nick Bolkus and Michael Atkinson working together in any format, or in any way at all, because the Hon. Mr Atkinson's views of the Left are well known. His views of the Left leadership are legendary within Parliament, they are legendary within the Labor Party and they are certainly well known to me and to many others.

An honourable member: The Cold War is over.

The Hon. R.I. LUCAS: It's over, is it? I do not think that is necessarily the case with the Hon. Mr Atkinson. Mr Atkinson's views of the leadership, for example, of the Institute of Teachers in South Australia are well known to his colleagues and to all members in this House.

All I can say in response to the honourable member's questions is that I am aware of some of the problems that the Opposition and the alternative Government is suffering at the moment. It is not conducive for good government, because it places great pressure on the leadership in this House, and the Hon. Carolyn Pickles and the Hon. Paul Holloway need to spend more time looking over their shoulders and getting on with the business of parliamentary leadership and asking proper and appropriate questions of Ministers and the Government of the day.

B-DOUBLE ROUTE

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the designated B-double route.

Leave granted.

The Hon. IAN GILFILLAN: I have been contacted by the managing director of a transport company in the northern suburbs of Adelaide who is very concerned, as he has been advised that the overpass bridge over Port Wakefield Road connecting the Salisbury Highway with the South Road connector is not in fact part of the designated B-double route. Quite obviously, B-double traffic in suburbs is quite a lively point in general terms, but this is a specific complaint that, if the police advice to this company is correct, there is a distinct gap in the B-double route down the Salisbury Highway, across Port Wakefield Road and then onto South Road. However, he assures me that two major companies—which he named to me, and which names I can make available to the Minister—are using the bridge on a daily basis, despite his having been given that information and warned that he would be charged if his vehicles went across the bridge.

There is quite profound discontent on the part of those who feel that there is either a complete misunderstanding, that preferential treatment is being given to certain companies or, at the very least, that there is an illogical block in a designated B-double route, where a bridge which is on a main thoroughfare from Sydney to Adelaide, supposedly, according to my information, was not built to correct standards to be part of the B-double designated route. I ask the Minister to clarify this matter if she can, so that there is a clear understanding whether or not this bridge is part of the designated B-double route. If not, will she investigate what is required to get it so determined and, if it is, will she investigate whether that information is made clear and being disseminated by the police and her department?

The Hon. DIANA LAIDLAW: I would be pleased to receive more detailed information from the honourable member in terms of the names of the truck operators who are using that bridge over Port Wakefield Road. We have designated B-double routes in this State, and B-doubles can also operate by permit. So, it may be that the two operators are permitted to use the route, and others may not be. I do not know offhand whether it is a specifically designated route. I would certainly question whether it is a direct route coming through Salisbury from Sydney to Adelaide: that would seem to be an odd manoeuvre. If the honourable member will supply me with the further information, I will follow up all his questions and seek to reply this week.

ARTS, SET BUILDING

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for the Arts a question about 'Backroom Boys'.

Leave granted.

The Hon. A.J. REDFORD: Under this Government and previous Liberal Governments, arts has become a pre-eminent activity in South Australia. Indeed, the recent Festival of Arts—as was so eloquently outlined by members on this side and the other side of the House—was afforded national and international recognition.

My attention has been drawn to an article that appears in today's *Bulletin*, a prestigious magazine, entitled 'Backroom Boys'. It refers to the activities of set builders, Ron Wood, who is a carpenter, and John Mignone, fitter and turner, and points out that these two South Australians have been responsible for the construction and design of sets on shows such as *South Pacific*, *Cats*, *Les Miserables*, *The King and I*, *The Phantom of the Opera*, *Miss Saigon* and now *Show Boat*. In the light of that article, can the Minister explain to this place what the future of set building is in South Australia?

The Hon. DIANA LAIDLAW: I thank the honourable member for drawing the article to my attention earlier today.

The Hon. R.R. Roberts: I saw you hand it to him!

The Hon. DIANA LAIDLAW: I hope that all members opposite, particularly the Hon. Ron Roberts, who professes a late interest in the arts, will read this article. It is a celebration of the trades, in terms of Ron Wood as a carpenter and John Mignone as a fitter and turner. What is interesting is that these trade skills are being used in the arts for considerable glory and financial return to the State. I know that the skills of these two gentlemen and of the work force who are brought in when big sets are to be made are recognised around the world, and it is for this reason that Livent, the Canadian company, and the Melbourne company Marriner Theatres have ordered the set for *Show Boat* through the Adelaide Festival Centre Trust. Also, negotiations are also under way for the set of *Ragtime*, which we believe will be staged in Australia at the end of the year.

These contracts are earning about $5 million for this State, and that is huge money. It is also the only set building

organisation of its kind in Australia. I know that Fox Studios in Sydney is very keen to get involved in this new business, but it is also looking to provide work opportunities to South Australia to undertake some of its initial productions.

The future is strong for the set building industry. Mr Wood and Mr Mignone are quiet achievers, and they generally scorn publicity, so I am particularly pleased that they have gained recognition through the *Bulletin* for their activities.

As the Adelaide Festival Centre Trust looks at its core business and its future business, it has designated set building as one area for a focus of activity in the future. This article is excellent recognition for those skills as the trust seeks to forge a stronger base in this State, nationally and, hopefully, overseas for set building activities.

GAMBLERS' REHABILITATION FUND

In reply to **Hon. NICK XENOPHON** (25 February).

The Hon. DIANA LAIDLAW: The Break Even service provider network was consulted widely during the development and evaluation of the community education campaign.

The evaluation identified:

(a) Awareness of Break Even name

Research undertaken through random sampling by McGregor Marketing Omnibus, indicated zero awareness of the Break Even name prior to the campaign, rising to a 5 per cent level of awareness in a six month period. While falling short of the optimistic 25 per cent objective, this still represents a significant level of awareness for a relatively new product when taking into account the limited time frame of six months.

(b) Awareness of gambling in control message

The McGregor Survey identified 20 per cent awareness at the commencement of the campaign in November 1996, 27 per cent awareness by mid campaign in March 1997 and 28 per cent by July 1997.

(c) Enquiries to Break Even

A total of 1 408 telephone calls to Break Even services were made between December 1996 to early August 1997, through the freecall 1800 number. Analysis of call volume and media advertising of the service show a strong relationship, with two units of media spending resulting in a call to the 1800 number. This indicates a clear link between calls made to the hot line and the media advertising.

The Community Education Campaign achieved significant success in raising community awareness of Break Even services and the gambling in control message.

The GRF Committee has identified the need to develop additional community education initiatives which focus on maintaining the profile of problem gambling services and further increasing community understanding of the gambling in control message.

These Statewide efforts to achieve the campaign's objectives compliment the local efforts of Break Even services to promote the availability of their services, where up to 20 per cent of the funding provided through the Gamblers Rehabilitation Fund is dedicated to this effort.

The GRF Committee comprises representation from the non-Government sector, Department of Human Services, Treasury Department and the hotels and clubs industry. The Committee is chaired by the non-Government representative, the executive director of Centacare Catholic Family Services, Mr Dale West.

It was established by the former Minister for Family and Community Services to advise on the allocation of GRF funds and maintain a balance of representation from those sectors with an interest in responding to problem gambling issues.

The Committee has been instrumental in facilitating the development of productive and cooperative relationships between the industry, government and the service sector.

The consultative mechanisms that inform the GRF decision-making processes, including the GRF Committee, will be examined during the course of the program's evaluation.

ETSA TRANSMISSION

In reply to **Hon. SANDRA KANCK** (11 December 1997).

The Hon. R.I. LUCAS: The Minister for Government Enterprises has provided the following information.

ETSA Transmission and ETSA Power are wholly owned subsidiaries of ETSA Corporation.

In the latter part of 1997, ETSA Transmission undertook, through a tender process, a review of its maintenance services on transmission substation equipment. This process was initiated in an attempt to achieve improved maintenance efficiency and to introduce more innovative work practices in the maintenance of transmission assets.

ETSA Transmission sought offers by a selective tendering process from seven external suppliers within the electricity supply industry and ETSA Power. The request for tender document specifically stated that ETSA Power would be invited to tender and that the final decision would be made to provide the best commercial benefit to ETSA.

In the event, ETSA Power was the successful tenderer at rates which represented a significant saving on ETSA Transmission previous costs. All parties have been advised of the outcome. The tender process was reviewed by an independent consultant and was subject to appropriate probity checks. ETSA Transmission Corporation and ETSA Power Corporation are individual legal entities able to contract in their own right. The fact that they are both subsidiaries of ETSA Corporation does not preclude either of them from participating in a tender called by the other. There is no inherent conflict of interest in ETSA Power being one of the tenderers for the contracting out of ETSA Transmission substation maintenance.

ETSA's internal legal advice confirms the above view and I do not propose seeking Crown Law opinion on the matter.

GOVERNMENT PERFORMANCE

In reply to **Hon. M.J. ELLIOTT** (18 February).

The Hon. R.I. LUCAS: The Premier has provided the following response:

1. Members of the OECD, including Australia, are currently negotiating an international treaty covering cross border investments, known as the Multilateral Agreement on Investment (MAI). The MAI negotiations began in 1995 and the terms of the proposed agreement are yet to be finalised.

The Commonwealth Government has not indicated an intention to sign the agreement but has indicated that it will not agree to the MAI until and unless it is satisfied that it is in the national interest to do so.

In determining its final position, the Commonwealth Government will take account of the views of State and Territory Governments, as well as industry. In addition, the Commonwealth is required to table the treaty in the Commonwealth Parliament before binding action is taken.

The honourable member should note that the MAI will require countries to lodge 'exceptions' where they want to impose more stringent requirements on foreign investors than domestic investors. I understand that Australia is negotiating on the basis that general exceptions would apply to such things as tax measures, national security, public order and health and quarantine measures. It is expected that all countries will lodge exceptions to the MAI.

The Commonwealth Government has undertaken to lodge all necessary exceptions as are needed to preserve and protect current policies. It should also be noted that foreign investors operating in Australia will continue to be required to adhere to Australia's laws and regulations, including our environment protection and labour standards.

Like the Commonwealth Government the South Australian Government will consider the full implications of the MAI before forming a final position. In the meantime, we will provide the necessary information to the Commonwealth Government to ensure the inclusion of exceptions relating to South Australia's laws and policies.

2. The South Australian Government has not yet considered or expressed a view on the MAI. Departmental level consultation has occurred and the Commonwealth is now seeking views regarding the impact of the proposed agreement on South Australia and any exceptions the South Australian Government considers should be lodged.

3. The South Australian Government is conscious of the impact of treaties and international agreements on State laws and policies. Therefore, the Government takes a cautious approach to proposals to enter into new agreements or treaties giving consideration to the probable benefits, as well as restrictions, that the proposal entails.

The South Australian Government joined with other State and Territory Governments in seeking reform to the treaty making process through the Council of Australian Governments (COAG) from 1994 through to 1996 when the Commonwealth agreed to a range of reforms. Many of the reforms had been proposed or supported by State and Territory Governments with a view to improving the Commonwealth's approach to treaties and international agreements. In particular, it was argued that the views of States and Territories needed to be considered when determining whether a treaty or international agreement was in the national interest. These reforms have resulted in an improved consultation process, including the establishment of the Treaties Council—a Heads of Government forum to consider treaties and international agreements of interest to the States and Territories.

LOCAL GOVERNMENT AMALGAMATIONS

In reply to **Hon. J.F. STEFANI** (18 February).

The Hon. R.I. LUCAS: The Minister for Local Government has provided the following information.

1. The District Councils of East Torrens, Gumeracha, Onkaparinga and Stirling amalgamated to form the Adelaide Hills Council. The City of Henley and Grange and the City of Hindmarsh and Woodville amalgamated to form the City of Charles Sturt. The Corporation of the City of Brighton and the Corporation of the City of Glenelg amalgamated to form the City of Holdfast Bay. The City of Kensington and Norwood, the City of Payneham and the Corporation of the Town of St. Peters amalgamated to form the Corporation of the City of Norwood, Payneham and St. Peters. The City of Noarlunga, the City of Happy Valley and the District Council of Willunga amalgamated to form the City of Onkaparinga. The Corporation of the City of Elizabeth and the City of Munno Para amalgamated to form the City of Playford. The Corporation of the City of Enfield and the Corporation of the City of Port Adelaide amalgamated to form the City of Port Adelaide Enfield. The Corporation of the Town of Thebarton and the Corporation of the City of West Torrens amalgamated to form the City of West Torrens.

2. Councils do not supply the Government with details of rate revenue. The honourable member will need to approach each metropolitan council directly. The Australian Bureau of Statistics and the South Australian Local Government Grants Commission collect data on revenue of councils; however, data for the 1997-98 financial year will not be available until early 1999.

3. The following metropolitan councils have applied for an exemption from the rate freeze:

The City of Burnside; the Corporation of the Town of Gawler; the City of Marion; the City of Mitcham; the City of Prospect; the City of Salisbury; the City of Tea Tree Gully; and the City of Unley.

None of these applications have been approved.

4. Councils do not supply the Government with any record of remuneration paid to chief executive officers and the honourable member will need to approach each metropolitan council directly. However, as part of the review of the Local Government Act, the Government is giving consideration to a requirement that councils document in their annual reports the remuneration paid to senior executive officers in monetary bands in a similar manner to that undertaken in the annual reports of State agencies.

5. Councils do not supply the Government with any details of capital expenditure on council offices and the honourable member will need to approach each metropolitan council directly.

ETSA DIVIDEND

In reply to **Hon. P. HOLLOWAY** (18 February).

The Hon. R.I. LUCAS: As part of South Australia's preparation to participate in the National Electricity Market, the Interconnection Operating Agreement (IOA) with Victoria and New South Wales was terminated on 30 April 1997. ETSA Corporation received a settlement payment of $77 million on termination of the agreement.

ETSA Corporation treated the IOA settlement of $77 million as an extra ordinary non recurring profit of $46.1 million in its financial statement after writing off the carrying value of the IOA assets. The corporation returned the $77 million termination payment as an interim dividend to the Government in December 1997.

From the Government's view point, the IOA was to run for another fourteen years, and the $77 million repayment, received from Victoria represents the agreed net present value of the benefit that would have accrued to South Australia from continuing the IOA. For this reason the repayment was not treated as abnormal in calculating the underlying non commercial sector deficit.

Additionally, the proceeds from the termination of the agreement were not used to balance the recurrent budget, but instead used to fund a range of one-off initiatives (that do not add to on-going expenditures) as part of the Priority Funding Package.

LABOUR EXCHANGE PROGRAM

In reply to **Hon. CARMEL ZOLLO** (25 February).

The Hon. R.I. LUCAS: The Minister for Employment has provided the following information.

1. The number of full time equivalent positions achieved at the end of one year was 22.6.

2. Conditions of employment placements complied with pay awards, working hours and relevant employment legislation, including WorkCover.

3. At the end of the first year $45 000 was expended on the Yorke Peninsula program.

TOBACCO PRODUCTS REGULATION (LICENCE FEES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 March. Page 501.)

The Hon. R.I. LUCAS (Treasurer): I thank honourable members for their contribution to the second reading debate and their indication of support for the Bill. The Hon. Mr Holloway raised a number of questions in his speech and I will endeavour to respond to them at this stage. First, the Hon. Mr Holloway stated:

> Given that the High Court decision involved not just the tobacco franchise fees but the liquor fees and the petrol franchise fees as well, it would be helpful if the Treasurer could indicate how much income was expected to be received from those three sources in the current financial year had they remained with the States.

The answer is that the actual revenue received from tobacco, petroleum and liquor in 1996-97 was $444.8 million and the estimated receipts for 1997-98 for these three franchise fees was $456.8 million. Secondly, the honourable member asked:

> Could we have the figure as to how much we now expect to get from the Commonwealth in reimbursement from this source, so we can see the total impact of the High Court decision upon the State's revenue?

This figure has been widely publicised. Both the Premier and I have indicated that in 1997-98 we believe that there will be a $50 million shortfall from the expected collections from those three franchise fees, and that is an issue that the South Australian Government, together with all Governments, Labor and Liberal, throughout the nation have been taking up with the Commonwealth Government, because a clear commitment was given to State and Territory Governments that there would not be a negative revenue effect to them by this transfer arrangement.

It is of great concern that we in South Australia have lost $50 million this year. Some of that is a delay in collections and some of it we anticipate will be picked up in 1998-99, but nevertheless it is a very significant hit to the 1997-98 State budget.

The other important question arising from the striking down of the State franchise fees is what will be the ongoing level of revenue collection given that there is a $50 million hit to this budget. To be truthful, the answer is that no-one

knows until we see the year-on-year figures, but it is certainly the expectation of officers working in this area that, in an ongoing way, we hope that the Commonwealth collections will be virtually the same as the State-based collections.

That is only part of the answer to the question. The other critical problem with having these State franchise fees struck down is that all revenue-raising flexibility in these areas has disappeared. Because it is now collected nationally, State Governments like our own no longer have the flexibility to be able to increase the excise or franchise fee on tobacco or on alcohol to help balance the State budget.

As many members will know, in the past many a Government—Labor and Liberal—have used the franchise fee collection base to help balance the State budget. As wages and salaries have increased, Governments have increased their revenue base in some particular way. Tobacco and, to a certain degree, alcohol have proved to be useful sources of revenue for State and Territory Governments. That flexibility no longer exists. There is a standard national revenue rate, and we will now be locked in permanently at that level unless there is some trade-off in terms of the national tax reform debate. That is an issue about which we are having some discussions.

The honourable member also asked questions in terms of the future of Living Health being dependent upon Government allocations through the budget. The striking down of the State franchise fees has raised a number of significant flow-on questions, and Living Health is one of those. The Government is currently considering its position in relation to Living Health and how its functions might continue to be provided in coming financial years. The Minister for Human Services, the Minister for the Arts, the Minister for Recreation and Sport and I all have some interest in this matter. We are currently engaged in some discussion about various options. At some stage in the not-too-distant future a recommendation will be put to Cabinet for consideration. I imagine that a decision on the future of Living Health will be announced no later than the budget, and possibly before the budget.

Certainly, there are many in this Chamber who would acknowledge a number of good works undertaken by Living Health and by its preceding organisations, such as Foundation SA and others. However, at the same time the Economic and Finance Committee has reported on the operations of the organisation and has made a number of recommendations about how it might be changed in the future. Obviously, the Government will consider all those suggestions together with some sort of continuation of the *status quo*.

Finally, the honourable member asked a question about the debate in March last year on the Tobacco Products Regulation Bill. I do not have the details in front of me, but I think the Government committed the first $2.5 million of any additional revenue raised on an annual basis by that legislation to a fund to be administered by the Health Commission. If the Government wanted to keep to the strict letter of the commitments, the simple answer would be that no additional revenue is being generated by the passage of the legislation; in fact, we are $50 million short. It is not as though the passage of that legislation has now resulted in extra money. There was a debate at the time that it would be more than $2.5 million—and I am not sure whether that was the intention of the then Treasurer—but the commitment from the Government was that the first $2.5 million of any additional revenue would be used through this special fund. As I said, the brutal reality is that we do not have an additional $2.5 million: we actually have minus $50 million this year.

In its budget deliberations the Government now has to consider whether it can provide for some expansion—whether it will be at $2.5 million is a budget issue—and additional funding for anti-smoking programs. There are probably some people who would see the previous question in relation to Living Health and this question perhaps being considered together, and that is clearly an option for the State Government. There are some who believe that there ought to be a greater focus within Living Health on anti-smoking campaigns. Therefore, this commitment and the suggestions about the future operation of Living Health might be able to be brought together and considered as one package. Again, the Government has made no final decision on that. Considerations are ensuing and there will be a final decision no later than the State budget this year.

The Hon. P. Holloway: Did you spend anything in this current year on that?

The Hon. R.I. LUCAS: I do not have that information; we are still seeking that from the Minister for Human Services. If the information from the Minister for Human Services arrives before Thursday I will provide it, or if the matter is debated in another place it might be able to be provided by the Minister directly. If all that fails, I can correspond with the honourable member. We are pursuing that, and in one way or another we will provide a response to the Hon. Mr Holloway on that aspect of his question. With that, I thank members for their support for the legislation.

Bill read a second time and taken through its remaining stages.

POLICE SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 17 March. Page 503.)

The Hon. R.I. LUCAS (Treasurer): I thank the Opposition for its indication of support for the Bill.

Bill read a second time and taken through its remaining stages.

STATUTES AMENDMENT (ADJUSTMENT OF SUPERANNUATION PENSIONS) BILL

Adjourned debate on second reading.

(Continued from 17 March. Page 504.)

The Hon. NICK XENOPHON: My remarks on this Bill will be brief. I want to comment on the claw-back provision which the Government has proposed. I indicate my support for the amendments moved by the Hon. Mr Holloway. I know that the Government seeks advice from interstate advisers from time to time, but on reading the claw-back proposal I thought that the Government had sought advice from farther afield—New York, to be precise. This provision seems to be something that Leona Helmsley would have thought of, in that it seems to be a very mean-spirited amendment which would disadvantage some of the most vulnerable in our community.

The information that I received is that this claw-back provision would impact on a number of our elderly superannuant citizens. For example, my information from the Community and Public Sector Union is that 2 037 octogenarians would be affected by this provision, and that approxi-

mately 315 nonagenarians and even 11 centenarians would be affected by this legislation.

The provision also raises difficulties with the whole basis of adjusting pensions in this State, given the adjustments to the consumer price index and the tampering of that index over recent times in respect of the removal of interest payments. It raises broader issues as to whether we should revisit the basis of adjusting pensions so that those who are most vulnerable, in terms of price increases, and the like, are protected.

The Hon. M.J. ELLIOTT: I rise briefly to indicate support for the Bill. I note that all of us in this place have a vested interest in this legislation in that it affects parliamentary superannuation, along with other public sector superannuation schemes. I have been lobbied by representatives of those people currently in receipt of these pensions, or those who are in schemes who will eventually be in receipt of them, and they have made some important points about deficiencies in the way that the scheme, overall, currently works. I am talking about the fact that linkage with CPI means that, in real terms, the value of their pensions is reducing, over time.

Those persons have made some quite valid points in that regard but I do not intend to go through those in any depth now. That is an issue that deserves to be addressed, but not in the context of this current Bill, which specifically addresses the question of what happens when there is a negative CPI. I have been persuaded by what I have heard so far from the Opposition that the way the Government is currently operating creates a double disadvantage for recipients of pensions in that, after the year of negative CPI and in terms of the claw-back provision, effectively there is a decrease in real terms in an ensuing year or years until the money paid out has been recovered.

If that is the effect of the way the claw-back provision has been designed then it is very mean spirited and, unless the Government persuades me that it does not work in that fashion, I will be supporting the amendment of the Opposition.

The Hon. R.I. LUCAS (Treasurer): I thank members for their contributions. It is a difficult issue and there is a clear indication from the members who have spoken that the amendment to be moved by the Hon. Mr Holloway will be successful. That will mean that the Government will need to consider its position in the movement of this piece of legislation from the Legislative Council to the House of Assembly. It is important to note that the current legislation means that, when there is negative CPI, pensions are reduced. That is the current law. That is what Crown Law has advised. I think that some members have the impression that, in some way, the Government is introducing a mean-spirited provision which seeks to reduce pensions when there is a negative CPI.

Certainly, from the speeches made by the Hon. Mr Xenophon and the Hon. Mr Elliott—and forgive me if I am wrong—I gained the impression that they had the impression that that was in fact the case. I can make it no clearer than that Crown Law advice is that the current law means that if there is a negative CPI there shall be a reduction in the pension, and that includes members of Parliament. I declare my interest in relation to this issue, that I will be affected by whether or not this legislation is passed. If this amendment were successful then I would be voting for a potential reduction in my superannuation pension. If this amendment, moved by the Hon. Mr Holloway is successful, then there will not be a reduction in the parliamentary superannuation pensions.

The Hon. M.J. Elliott: Not this year?

The Hon. R.I. LUCAS: We are talking about a current circumstance in relation to negative CPI, and we are trying to resolve it. I cannot make it any clearer than that. The Government's position has been put to this Chamber. The position put by the Hon. Mr Holloway, and supported by the Democrats and the Hon. Mr Xenophon, is a different position. I can understand that. It is not a black and white issue but a grey issue in terms of where we go. As I said, there is a misunderstanding in that people believe that the Government is introducing this particular provision. Crown Law advice is that, under current legislation, if there is negative CPI we must reduce the pensions of members of Parliament, I think judges, and public servants.

If this amendment is to be successful, as clearly it will be, the Government will need to consider its position because should the Bill not proceed and we stick with the existing legislation there will be a negative reduction. Each time there is a negative CPI there will be an automatic reduction in pensions. This legislation attempts to resolve the situation where there is negative CPI that, instead of having a reduction, it would be frozen at a particular level and then, in future years when there is a positive increase, there would be a slightly smaller positive increase, so that pensioners—not just members of Parliament—and all those covered under the scheme would, in effect, see a slightly smaller increase.

They would at least have, in that first year when there was a negative CPI, a holding in their pensions at the same level as the previous year, that is, they would not see their pensions reduced. If this legislation is not successful, then we will see an automatic reduction in pensions. If the legislation is successful, there is an endeavour to freeze and then to recoup—or claw back, as the phrase seems to have developed over the past couple of weeks—the amount by a slightly lower level of increase in future years. That is the difficulty with which the Government is confronted. I will need to further consider the position. However, I will not delay it at this stage. It has to be considered in another place. The position of the majority of the members in this Chamber is clear. Perhaps the Government will need to have further discussions and then, if need be, discuss further with members of this Chamber and the other place what other options there might be. As I said, one option might be that the legislation is not proceeded with and the Government relies on the existing legislation.

It is important that the Hon. Mr Xenophon, the Democrats and the Labor Party realise that, if that is the case, then what ensues is an automatic reduction in everyone's pension, their own included, in the future. That will not worry the Hon. Mr Xenophon for at least six years, but the Hon. Mr Elliott has been around for longer than the minimum, as have most other members of this Chamber. Clearly it is an issue of interest to them, but, more importantly, I know it is of interest to their constituents, in terms of the public sector superannuation schemes.

The other problem—and this issue was originally developed by my former colleague, the former Treasurer (Hon. Stephen Baker)—is that the estimated cost to the budget this year of this provision potentially is just under $250 000. I know in some of the correspondence that I have received that my correspondents have been saying, 'Well, $250 000 is not very much and therefore the budget ought to absorb the cost.' The question that we have to confront is

what happens if—and no-one ever wants to contemplate it and it is not immediately apparent in terms of the economic forecasts—heaven forbid, we ever go through a period such as the Great Depression of the late 1920s and early 1930s again. I am sure, from the colour of the Hon. Ron Roberts's hair he would have lived through it, as well as the Hon. Trevor Crothers and a few others in this Chamber. I am told that, for a number of years, significant falls occurred in terms of negative inflation. Significant falls occurred in the wages of wage and salary earners during the period of the Great Depression. I have not been able to get the figures but certainly—

The Hon. T. Crothers: Wage reductions of 10 per cent.

The Hon. R.I. LUCAS: The Hon. Mr Crothers, who remembers the time well, tells me that there were wage reductions of the level of 10 per cent or so. We had a very severe depression. We had a significant fall in wage levels. I have heard figures of even higher than the 10 per cent that the Hon. Mr Crothers has—

The Hon. T. Crothers: Not for public servants.

The Hon. R.I. LUCAS: The Hon. Mr Crothers indicates that the 10 per cent reduction was for the Public Service. I suspect it was even higher in the private sector in terms of wage reductions. I understand that we had negative inflation for somewhere between three or four years. In those circumstances—as I said, heaven forbid we would ever go through them again—it may well be that the policy decision is that the only section of the community that does not bear some brunt of the pain, I suppose, would be those on pensions. That is, if there were 5 per cent or 10 per cent reductions in the inflation rate and in the wage levels of the ordinary working people of South Australia, the budget process would need to continue to raise the taxes to meet those commitments. As I have said, we are talking about a very rare set of circumstances and we would imagine and hope that they are unlikely to recur in the future.

Nevertheless, actuaries have to look at these sorts of rare events in the future in terms of trying to factor them into their calculations. Certainly, in those circumstances, the net cost to the budget would be more than $250 000 million a year. Therefore, we would be having to find either, as I said, through taxation or through reduced expenditure in other areas, significant millions of dollars to meet those budget costs. So at this stage I indicate that it will be the Government's intention to proceed with the passage of the Bill, to acknowledge that the amendment will be passed and not to die in a ditch over it at this stage. I understand, as I said, that it is not a black and white issue. There are arguments on both sides.

We will see the Bill proceed through this Chamber this afternoon and the Government and certainly as Treasurer I will reflect further on it and, if required, have further discussions with interested parties and members regarding, first, what options might exist in terms of whether or not the Government proceeds with the legislation at all or, secondly, whether it proceeds with it in a different fashion by way of a different approach in the House of Assembly. With that I thank members for their contribution.

Bill read a second time.

In Committee.

Clauses 1 to 3 passed.

Clause 4.

The Hon. P. HOLLOWAY: I move:

Page 2, lines 11 to 13—Leave out subsection (5).

I will use this amendment as a test amendment since the other three amendments are virtually identical. This clause amends the Judges' Pension Act. The other amendments amend the other three schemes which we are considering. I make several comments in relation to this measure. As I indicated during the second reading debate, what we are seeking to do is to remove the so-called clawback provision. Because of changes to the superannuation scheme about which we have been talking, and because there is a negative pension rate of .08 per cent in the 1996-97 financial year, the following issue has arisen: what should we do when the CPI index for this State is negative?

It is my understanding that because it was just prior to the election the Government—and the Treasurer can contradict me if I am wrong—had made an *ex gratia* payment and had decided not to pass it on. In a sense, this legislation is to tidy up that problem. The Opposition has no problem at all with saying, 'Well, look, if we do not pass on a decrease of .08 per cent in this financial year, when it comes to an increase in a future year we think that it is fair that that .08 per cent decline should be deducted from a future increase in the pension rates.'

Many members of the community would argue that we should not even do that, and indeed we have been lobbied by a number of people saying, 'Why do we not overlook it when there is a negative CPI and not worry about subtracting the level in the future?' We do not believe that we should do that. We believe that we should act as all other States and the Commonwealth Government have done in this treatment of this matter. In all other States and the Commonwealth when there is a negative CPI that negative CPI is not passed on, or at least the Minister concerned has the discretion not to pass on the decrease.

However, in subsequent years that negative effect is taken into account and deducted off a future CPI increase. That is the principle that has been adopted by the Commonwealth and all other States. As I said, if the Treasurer disagrees with me on that point I think that he should put that on record. It is my understanding that every other State and the Commonwealth treat it in this way. What I am proposing is simply to follow that precedent.

What we are removing here is an additional clawback provision that will provide that not only will we take into account in the future the negative CPI by deducting it off a positive figure but we will go further and reduce that by an additional amount to recover the effect of not reducing a superannuation pension in the year in which the CPI was negative. As I said, no other State or the Commonwealth have chosen to take such a course of action.

If we look at what happens in relation to old age pensions from the Commonwealth, although there have been very low or negative CPI figures the Commonwealth has not seen fit to reduce the incomes of old age pensioners in that way. During the debate the Hon. Legh Davis interjected at one point and said, 'What about if we have a large amount of negative inflation?' The point about this measure is that it is discretionary. Under the Bill the Treasurer has the option of whether or not to pass on a negative CPI as a reduction in superannuation pension. He has that option: he does not have to do it but he may do it. I think that is the point. If there is a serious deflation the Treasurer will have that option regardless of whether or not my amendment is passed. This amendment has nothing to do with that; it does not change in any way the Treasurer's discretion to pass on or to not pass on a negative CPI figure.

The other point that I think we ought to make is that this Government, at a time that it is quibbling over .08 per cent of CPI, has just announced that it will increase fees and charges by 4.5 per cent positive. Many of the people affected under the legislation are superannuation pensioners. Perhaps we need not be worrying about the judges and the politicians but there are tens of thousands of former public servants under the State's superannuation scheme and former police officers under the police superannuation scheme who are not particularly well off. The median income under these schemes is $22 000, so therefore many people would not be earning that much more than the age pension.

The Hon. L.H. Davis: The reason why we are adjusting it 4.5 per cent is that there was a 6.9 per cent increase in salaries and wages in 1996-97 which the Labor Party more than endorsed.

The Hon. P. HOLLOWAY: Certainly there have been some increases, and the Hon. Legh Davis is entitled to make that point. However, the retired superannuants are not getting the benefit of that. It is not the people who are already retired who will get the benefit of that 6.9 per cent increase, and that is the whole problem. I think we need to make that point.

If this measure is supported, and given that the Treasurer told us in his statement the other day that we are now facing an inflation rate of minus 1.1 per cent, is it his intention to freeze superannuation pensions in the forthcoming year or will he pass on that minus 1.1 per cent as a reduction in superannuation pensions this year? I point out again that the Treasurer has the discretion to do so regardless of my amendment. Under the new Act it will be entirely at the Treasurer's discretion whether he chooses to pass on what appears to be a minus 1.1 per cent figure, if that is what it holds up to for the whole year. It is the Treasurer's discretion whether or not he reduces superannuation pensions in the coming year. I ask him to indicate whether he intends to do so.

To return to the amendment, what we are dealing with is a sum of $17.60 for the average superannuant. The Government has already decided that this year it will not pass on that $17.60, which is the increase a person receiving the median superannuation benefit would get. We are talking about something less than $250 000 in total for the year. We are saying that in this forthcoming year, if the CPI is positive, that negative CPI figure of .08 per cent should be deducted. If superannuation pensioners have benefited by not having their pensions cut then certainly there should be a corresponding reduction next year. However, we do not believe that there should be this extra additional clawback on top of that whereby the very slight benefit that they receive—some $17.60—should be taken back next year as well.

I ask members to support this amendment and the further three amendments that I will be moving. I believe that there is an important precedent here. I think that we should take action in line with that of the Commonwealth and every other State in this country and use the same procedure that they do for dealing with negative CPI when it comes to the treatment of superannuation pensioners.

The Hon. R.I. LUCAS: I do not intend to prolong the Committee stage. I put the Government's position during the second reading response to the various contributions of the Hon. Mr Holloway, Mr Elliott and Mr Xenophon. As I indicated, the Government will not die in a ditch on this issue. We will consider the Government's position after the Bill's passage in this Chamber and before its consideration in another place as to what approach we might adopt, including whether or not we want to continue with the legislation. With that, I indicate the Government's position but acknowledge the majority view in this Chamber.

The Hon. M.J. ELLIOTT: I want to clarify that I have understood the effect of subclause (4) correctly. I tried to indicate that during the second reading stage, but the Treasurer did not take up the challenge at that point. My understanding of the way clause 4 works is that subclause (4) allows for, if you like, a reduction in the year after the negative CPI, so that the rise is diminished by the amount that the CPI had dropped the previous year. That is the effect of subclause (4). Then subclause (5) attempts to get back the money that was paid out in that year of negative CPI as well. Have I understood that correctly or not?

The Hon. R.I. LUCAS: The simplest explanation that I can give to the honourable member is the advice that has been provided from Mr Dean Prior, the Director of Superannuation, to me in relation to these provisions. It is correct to say that the Government is going further than most other States. I am not sure, as the Hon. Mr Holloway has indicated, that it is all other States, but that may be the case—most other States. It is trying to recoup in this case the $250 000 that there will be in terms of the cost to the budget. That is, we have got to get the money from somewhere and the Government's view is that in some way we ought to be able to recoup that in the future. Certainly in that respect my advice is that we are moving further than most other States, if not all other States, in Australia. For fear of misquoting the advice that I have got, let me read specifically into the *Hansard* record the advice that I have received from my officers. It is as follows:

> Specifically the Bill seeks to provide that:
> - the Treasurer may direct that an adjustment to pensions not apply in a particular year so as to avoid a reduction in pensions following a negative movement in the CPI.
> - where the Treasurer has directed that no adjustment apply, pensions will be maintained at the current rate rather than be reduced.
> - any adjustment to be made after a period during which pensions have been maintained as a result of an above directive of the Treasurer shall be based on the movement in the CPI over a period since the last quarter taken into account to adjust pensions.
> - there be a recoup or 'claw back' of the actual costs of maintaining pensions at a higher level during a period during which they should have been reduced.
> - the 'claw back' provision involve the Treasurer 'modifying' the subsequent actual percentage increase figure to be applied.

I see no good purpose at this stage in prolonging this debate. I indicated on a number of occasions during the second reading debate that I do not see this as being an easy, black and white issue. There are good arguments on both sides of the equation, and I acknowledge the views of both sides on this issue. I acknowledge, too, that the numbers in this Chamber are against the Government on this, and we are now happy to expedite the processing of the clauses and of the Bill through this Chamber.

The Hon. M.J. ELLIOTT: Listening to what the Treasurer said, it appears to me that the understanding I had of the effect was correct. I want to make one more observation, without extending the debate more generally, because we are not sure whether the Government will bring back this Bill or spit the dummy. If I want to make a comment, I really only have the chance now.

There is no point in the legislation as it now stands if the effect is that, rather than having a cut in your pension this year, you will have a cut in real terms as distinct from just not allowing the full CPI increase the following year. The 'claw

back' means that the cut you did not suffer this year in real terms you will suffer next year, and that makes it a totally pointless exercise. It is just a question of in which year you suffer the cut in your pension in real terms.

It would then make it look as though what the Government did last year was more to do with the fact that there was an election, and it is a question of in which year you are going to make people miss out on their money. It would look like a purely political decision that had nothing to do with the welfare of pensioners and everything to do with the welfare of the Government. If that was the case, it would be extremely disappointing.

The Hon. R.I. LUCAS: I am disappointed. I have been trying to conduct this debate in a modest, moderate, temperate and reasonable fashion. I have not indicated that the Government intends to 'spit the dummy', to use the phrase that the Hon. Mr Elliott used, and I am disappointed that he should introduce into the debate a notion that I as Minister responsible was even contemplating spitting the dummy over this issue. I have bent over backwards in acknowledging that there are arguments on both sides of this equation. I have not sought to be confrontational in any way at all, and I am disappointed to hear from the Hon. Mr Elliott an accusation that he does not know whether or not the Government will spit the dummy on this issue.

All I have indicated, in a very temperate way, is that the Government acknowledges the numbers in this Chamber and will now need to consider its position. That position may well be to agree with the changes, ranging through to deciding not to proceed with the legislation and living with the legislation as it currently stands—and, of course, there is a range of options in between. I do not intend to prolong the debate, but I wanted to place on the record the fact that I as Minister am not being threatening or threatening to 'spit the dummy', to use the Hon. Mr Elliott's phrase, in relation to the Government's attitude to the legislation.

The Hon. M.J. ELLIOTT: I am disappointed that the Treasurer is disappointed, but if the Treasurer reads back what he said he will see that there was a suggestion that there was at least a possibility that the Government might not accept the amendments and just keep the legislation as is. I did not say that he was going to spit the dummy: I just said that, on the off chance that the Government might spit the dummy, I needed to make some comments about the real implications of subclause (5).

Those real implications were that it appeared that we were just transferring the cut in pension in real terms from one year to another. I asked what was the point of that, and I hoped that it was not just for political reasons that the cut did not happen last year.

Amendment carried; clause as amended passed.

Clause 5.

The Hon. P. HOLLOWAY: I move:

Page 3, lines 1 to 3—Leave out subsection (6).

This amendment is very similar to the previous one. Like all other members of this Parliament, I have a vested interest in this measure.

Amendment carried; clause as amended passed.

Clause 6.

The Hon. P. HOLLOWAY: I move:

Page 3, lines 29 to 31—Leave out subsection (5).

Amendment carried; clause as amended passed.

Clause 7.

The Hon. P. HOLLOWAY: I move:

Page 4, lines 21 to 23—Leave out subsection (6).

Amendment carried; clause as amended passed.

Title passed.

Bill read a third time and passed.

SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 26 February. Page 482.)

The Hon. P. HOLLOWAY: The Opposition supports the second reading of this Bill. This is the third Bill relating to superannuation that the Parliament has addressed in the past few moments. I suppose that the preponderance of legislation relating to superannuation signifies several things: first, that the world of superannuation has been a constantly changing environment over the past 15 years, with major changes to Federal legislation occurring almost every year. This has necessitated corresponding changes to State superannuation schemes with frequent regularity.

Secondly, the need to fund public sector superannuation schemes at a time when there was no longer growth in the number of new entrants to the Public Service led to the closure of the old State superannuation pension scheme in 1986 and its replacement by the lump sum scheme. The lump sum scheme was, in turn, closed and replaced by the new SSS scheme in 1994.

Although there are many thousands fewer public servants than was the case five years ago, the number of permutations for superannuation amongst those remaining in the Public Service seems to have grown substantially. However, there may be another reason why superannuation legislation is becoming a greater part of our parliamentary calendar: under the Olsen Government, the amount of legislation coming before this Parliament seems to be drying up and I suppose that, when all our major Government business enterprises and essential services, such as water, hospitals and electricity, have been sold off or outsourced, there will not be much left for this Parliament to do, in terms of legislation, but perhaps tinker with the entitlements of the few people left on the State payroll.

Under the national competition policy, particularly as interpreted by Graham Samuel and the Howard Government, we appear to have forfeited the right to determine our future over most of the issues which have come before State Parliaments over the past 97 years since Federation. As last week's Premiers' conference showed, the 100 Years War between the Commonwealth and the States for fiscal supremacy has been decisively won by the Commonwealth, and the Commonwealth will not take prisoners!

One of the technical measures under this Bill, clause 18(h), relates to half a dozen or so former employees of the State Bank and the need to tidy up anomalies that have arisen with their superannuation. This Parliament may have to deal with more of these types of measures, because the Olsen Government has proposed the systematic destruction of the public sector.

The superannuation entitlements of employees of the soon to be privatised ETSA, TAB, HomeStart, Motor Accident Commission, Lotteries Commission and just about any other Government body that can be sold may have to be dealt with. Later, I will also raise the issue of another group of former State superannuants whose entitlements have been affected because of recent changes—and I refer to some former

employees of Australian National. However, I just want to make the point that, while the Olsen Government is obsessed with liquidating the public wealth which has been accumulated over many generations by South Australians, there appears to be no place in modern day Liberal philosophy for wealth creation.

Thus, the consideration of technical legislation, such as this superannuation Bill, is likely to become an increasing occupation of the Parliament, and one reflects that we may need to take the administration of dogs and cats or parking from local government in order to fill this void if this situation continues.

This Bill has some 24 clauses which contain a series of technical amendments to the Superannuation Act. I refer to three of the more significant of these amendments, the first of which is changes to the board. Under this Bill, it is proposed that the three-year term for the five board members be staggered so that there is some guarantee of continuity. As I understand it, the problem is that, under the current arrangements, the entire board could retire at once and, with the rapid changes to superannuation legislation which are occurring and to which I referred earlier, it is important that there be some continuity on the board. So, the Government is proposing that new appointees have a term less than three years so that membership retirements can be staggered in order to ensure continuity, and the Opposition certainly supports that measure.

There is also provision for meetings of the Superannuation Board to be held over the telephone. Whilst the Opposition again supports that measure, I add the cautionary note that I would not like to see board meetings held over the telephone becoming the norm. We all accept that on occasions conducting a special board meeting over the telephone may be a desirable outcome if there is some emergency or some measure which needs to be dealt with very quickly, but we certainly would not like to see board meetings by telephone become the norm.

The second group of amendments are necessary to make this legislation conform to the Commonwealth's superannuation guarantee legislation. It is my understanding that about 570 members of the lump sum State superannuation scheme contribute the minimum levy of 1½ per cent of salary to the scheme. Incidentally, the total number of contributors to the lump sum scheme at 30 June 1997 was 12 617. I understand that many of the contributors on the minimum contribution rate joined the lump sum scheme just prior to that scheme's being closed in May 1994.

Because of changes to the Commonwealth superannuation guarantee, the rate payable under that legislation is to increase to 7 per cent on 1 July this year, and it transpires that those members who are paying the minimum rate will have to contribute at least 3 per cent to receive that benefit under the old lump sum scheme after 1 July 1998. So, the proposed changes are to allow for the increased contribution.

However, there are options for members who are in that position. It is my understanding that these contributors would be better off if they were to switch to the SSS scheme. I understand that the Government will write to all the 570 people affected by this measure and inform them of the options that they can take and also pointing out how they may be better off to transfer to the other scheme. I also believe that this measure is being discussed with the unions concerned (the AEU and the Public Service Association) and, as a consequence of that, those bodies support these changes. So, the Opposition likewise supports these amendments.

The third group of changes is intended to close off a loophole whereby superannuants receiving an invalidity or retrenchment pension could receive a greater income than would have been the case if they had remained in their previous employment. Clearly, if that was to be the case, that would defeat the whole purpose of invalidity or retirement benefits. So, amendments are proposed under this Bill that definitions to income will be adjusted so that no-one will be better off than they would have been had they remained in their previous employment. The Opposition again supports that measure.

The other amendments contained in the 24 clauses of this Bill include the rewording of many old provisions of the Act, the clarification of some anomalous situations which have arisen and other technical amendments which we are assured do not materially affect either the benefits or the cost of the State superannuation scheme. I place some questions on the record in relation to those amendments. We are assured, and my reading of the Bill is such, that the amendments contained in this Bill achieve the objective of clarifying the particular superannuation schemes that we have before us. So, I support the second reading.

However, I raise another matter at this point which I hope the Treasurer will take on notice. A number of Australian National workers who were apprentices, or fairly young at the time, were transferred by the old South Australian Railways to Australian National. Those workers were given the option of staying with the State Superannuation Scheme and a number of people elected to do so. Of course, Australian National has subsequently been sold off by the Commonwealth Government and unfortunately many of its workers have been retrenched. That includes a number of people, about half a dozen, who have not yet reached 45 years of age. However, they have been contributing to the superannuation scheme for in excess of 20 years. These workers have certainly contributed a lot longer than the 300 months qualifying period under the State Superannuation Scheme. However, they are not able to access retirement benefits because they are under 45 years, even though they are very close to reaching that age.

Under the Superannuation Act, workers are entitled to a pension and lump sum only if they are over the age of 45 and if they have contributed for at least five years. These workers, who have given something like 20 years service or more and who are now facing retrenchment at a stage when their employment options are very limited, are entitled only to a refund of the contributions, which is a significant reduction in their benefit compared with that of some of their colleagues who are just a year or two older. They are in an anomalous situation. At the time of the transfer of the South Australian Railways to Australian National in the 1970s, assurances were given to those workers that they would not suffer any reduction in their benefits as a consequence of that transfer. I am sure that at that time this eventuality was not envisaged.

It is my understanding that only five or six people are involved and I seek an assurance from the Treasurer that he will meet and negotiate with the people who are in this unfortunate position. Some negotiation with the Federal Government will also be necessary to see whether some arrangement can be made because, having given something like 25 to 30 years of service and having contributed to superannuation over that time, they have contributed a lot more than many other beneficiaries under the State Superannuation Scheme who have been in the scheme for a shorter

time. It is just an accident that they happen to be under 45 years of age.

I should like the Treasurer to address that question to see whether, with negotiation between them and the Commonwealth Government, a more satisfactory outcome can be achieved. The Opposition supports the second reading of this Bill.

The Hon. R.I. LUCAS (Treasurer): I thank the Hon. Mr Holloway for his indication of support for the Bill. In relation to the particular issue that the honourable member indicated, I am happy to get further advice and through the appropriate Minister in another place provide a reply to the honourable member. I am broadly aware of the issues that he raised but I do not have the details in the Chamber with me. Speaking frankly, I am not sure whether anything can be done. While the Hon. Mr Holloway has acknowledged the difficulty of the situation, I will nevertheless have some further discussions with officers and provide some sort of a response to the honourable member through his colleagues in another place.

Bill read a second time and taken through its remaining stages.

STATUTES AMENDMENT (NATIVE TITLE) BILL

In Committee.

Clause 1.

The Hon. T.G. ROBERTS: Since the second reading debate, negotiations have continued with some of the stakeholders and their representatives. The Attorney-General made his officers available for discussions and negotiations and they have continued right up to this day. Representatives of the Aboriginal people have indicated that they still have some concerns with Part 9B in particular, but that they will facilitate the process. They have indicated that, with some undertakings by the Attorney, they are prepared to accept the process and the outcomes from this Bill.

Clause passed.

Clauses 2 to 8 passed.

New clause 8A.

The Hon. K.T. GRIFFIN: I move:

After heading to Part 3 (before clause 9)—Insert new clause as follows:

Amendment of s.9—Mediator

8A. Section 9 of the principal Act is amended—

(a) by inserting in subsection (1) 'the Judges of the Court and' after 'among';

(b) by inserting after subsection (1) the following subsection:

(1a) A member of the Court may be appointed to assist a mediator in the conduct of the conference and a member so appointed is entitled to be present at the conference and to provide advice to the mediator.

The proposed new clause amends section 9 of the Native Title (South Australia) Act. Section 9 provides for the court to select a mediator from among the native title commissioners to preside at the compulsory conference required to be held before contested proceedings involving a native title question proceed to a formal hearing. The amendment enables a judge of the Environment, Resources and Development Court to be selected to preside at the conference as an alternative to a native title commissioner. The amendment further enables the court to appoint a member of the court to assist the mediator. Consequently, appropriate expert assistance can be made available to a judge appointed as a mediator through the appointment of a native title commissioner to assist or to a native title commissioner appointed as a mediator through the appointment of another member of the court to assist. This added level of flexibility should ensure that resolution of a matter at the conference stage is facilitated by appropriate use of the experience of the various members of the ERD Court. The amendment also includes a consequential amendment to section 12 to ensure that a member of the court who has acted as mediator or assisted a mediator takes no further part in the proceedings without the agreement of all the parties.

New clause inserted.

New clause 8B.

The Hon. K.T. GRIFFIN: I move:

After new clause 8A—Insert new clause as follows:

Substitution of s.12

8B. Section 12 of the principal Act is repealed and the following section is substituted:

Disqualification

12. Unless all parties agree to the contrary, a member of the Court who has acted as mediator, or assisted a mediator, at a conference under this Division is disqualified from taking further part in the proceedings.

New clause inserted.

Clause 9.

The Hon. K.T. GRIFFIN: Both the Opposition and the Australian Democrats have raised an issue in relation to this clause, largely as a result of the issue having been raised by the Aboriginal Legal Rights Movement. My officers have had some discussion with the legal adviser to the Aboriginal Legal Rights Movement regarding clause 9. Mr Wooley expressed some fears about what he asserted was a lack of Parliamentary scrutiny of any regulations made under proposed section 16(4) of the Native Title (South Australia) Act. It has now been pointed out to him that any regulations would be tabled in the Parliament and, of course, be subject to scrutiny through the process of disallowance.

It has also been pointed out to him that this and any future Government would be constrained in what it could seek to exempt from notification under section 16(4) by the need to maintain consistency with the Commonwealth's Native Title Act. In particular, the legal adviser was referred to section 251(4) of the Commonwealth Native Title Act and section 109 of the Commonwealth Constitution which, of course, relates to issues of inconsistency with respect to this particular issue. I understand that the legal adviser for the Aboriginal Legal Rights Movement was therefore persuaded to accept that the inclusion of a regulation-making power in section 16(4) to enable the Government to exclude appropriate *ex parte* or other proceedings from notification pursuant to section 16 was an appropriate course to follow.

There was some discussion about section 74A of the Mining Act which deals with compliance orders. That section allows the owner of land or the Director of Mines to seek a compliance order where a mining operator is undertaking activities on land without authorisation under the Act. It was initially suggested by the legal adviser to the Aboriginal Legal Rights Movement that native title claimants should be included within the definition of 'owner' so as to enable claimants to seek compliance orders under this section. However, it has been pointed out to the legal adviser that this would have all sorts of undesirable and unforeseen consequences under other parts of the Act. It had always been intended that native title claimants who considered unauthorised operations were being undertaken on land in which they had an interest could approach the Director of Mines and ask the director to institute proceedings seeking a compliance order. This has been accepted as an option available to claimants.

The question was then raised by the adviser to the Aboriginal Legal Rights Movement as to whether or not the Government would consider using the regulation-making power under proposed section 16(4) of the Native Title (South Australia) Act to exclude applications for injunctive relief or compliance orders under section 74A from the notification provisions in section 16. I have given consideration to the point raised by the legal adviser; it has been the subject of some consultation. My advice is—and I accept that advice—that it would not be inappropriate to exclude section 74A from notification under section 16.

The advisers are not 100 per cent convinced that a court hearing an application under section 74A is hearing a native title question—at least in the case of exploration—but it is sufficiently arguable to warrant taking the precaution of excluding it by regulation, and that is what is therefore proposed when we get to the point of making regulations. In the case of production, it is probably not a native title question such that section 16 would not be triggered. I understand that if I were prepared to indicate on the record the sorts of circumstances in which the Government envisages using the regulation-making power in section 16(4) and gave an indication that we would seek to include injunctive proceedings under section 74A of the Mining Act in this, the objections raised by the Aboriginal Legal Rights Movement to this provision would be satisfied. As I have said, I can give an indication to the Committee that that is my intention.

It is also intended that the regulation-making power will be used to exclude situations where legislation envisages *ex parte* proceedings, for example, sections 63N and 63O of the Mining Act 1971 and sections 56 and 57 of the Opal Mining Act 1995. As State legislation is reviewed and right to negotiate provisions put in other legislation, for example the Petroleum Act, it will be possible to amend the regulations to exclude *ex parte* proceedings under that legislation from the full-blown notification provisions applicable to a native title question under section 16. I should say that the legislation was never intended to operate in such a way that proceedings such as summary determinations under Part 9B of the Mining Act are also proceedings involving a native title question for the purposes of the Native Title (South Australia) Act. I think that satisfies the issues raised by the Aboriginal Legal Rights Movement such that it will now enable this Bill to pass through the Parliament.

The Hon. T.G. ROBERTS: I thank the Attorney for placing those examples on record and clarifying the matter for those people who are negotiating on behalf of the Aboriginal people. Tim Wooley, who has been negotiating on behalf of the ALRM, has done a very good job in trying to facilitate this legislation. He has not been particularly obstructive but has certainly wanted to clarify the issues for and on behalf of the people he represents. In my second reading contribution I indicated the difficulties we have as legislators in being able to envisage some of the difficulties the stakeholders have in the field, that is, those people who are concerned with exploration licences, the proving of their leases, subsequent applications for mining, and all the issues associated with native title, including questions relating to stakeholder ownership or leasehold ownership in relation to pastoral and Aboriginal interests.

More than 300 exploration licences have been granted since part 9B came into force. Approximately 200 of that number are over land currently under native title claim, but only 28 part 9B notices have been issued, 21 of these since 1 January 1998. The circumstances of compliance, the number of applications and the isolation in which everyone is operating in relation to complying with the intentions of the Petroleum Act, the Mining Act and native title, are the background against which the interests of all persons must be catered for through the negotiating process. With respect to those people who have an interest on behalf of stakeholders, whether they be the Aboriginal people with claims, people with claims that have already been determined, or whether it be the interests of mining companies or those with pastoral interests, we must be sure that we are not making it more difficult than necessary when we pass legislation in this Council.

Concerns were expressed about those people who were described, perhaps, as stakeholders, and who could make an application and intervene. I think that, as far as possible, those concerns have been sorted out. Certainly concerns were raised about compliance issues associated with section 74A(b), and other sections of other Acts. I thank those who have negotiated particularly on behalf of the Aboriginal stakeholders, or the people who were represented by ALRM and others. Certainly I thank the Attorney for making his officers available during those negotiating times and for clarifying those contentious issues by putting them on the record so that people can, at least, examine the intentions. It certainly clarifies the matter in my mind and, hopefully, in everyone else's mind.

Clause passed.

Remaining clauses (10 and 11) and title passed.

Bill read a third time and passed.

NATIONAL WINE CENTRE (LAND OF CENTRE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 March. Page 571.)

The Hon. IAN GILFILLAN: The Democrats have strenuously opposed the proposal for the National Wine Centre to be situated in the parklands. The major debate took place on the original Bill and, unfortunately, has been encapsulated in this legislation. The current amendment, if anything, does slightly make less evil the original evil but it is still totally unacceptable. I want to make it quite plain that the Democrats believe that this, amongst other proposals for the parklands, are monumental sell-outs by this generation of members of Parliament to the principle of preservation and enhancement of the parklands. It may well be recorded as one of the periods in which the preservation of parklands took a giant leap backwards.

Although the area may not appear large, the fact is that—and I would like to believe that most members would know—we have lost approximately a third of the original parklands. It has taken place bit by bit, an incremental alienation, rather than any large savage reduction which, of course, would have stirred an emotional and immediate reaction of opposition. What have we got? We have the headquarters of a major Australian industry virtually being given, on a plate, a site for its national headquarters in the parklands: the people's open space, common space, identified, in part, as 'botanic gardens', but obviously, as Light's vision saw it, as a part, and still beautifully a part, of the parklands.

The precedent is horrendous. If this particular industry is offered the opportunity of this top priority site of any enterprise in the Adelaide metropolitan area dished up to it on a plate, then why should not a whole host of other

industries look for the same preferential opportunities to angle and wangle their way in? The number of other industries that might look for similar perks will come to light as we see the $20 million that is offered by this Government and, although it has not yet been shown clearly, the anticipated contribution of $20 million from the Federal Government. However, I certainly have not seen any conclusive evidence that that money is forthcoming.

We acknowledge that the return of the old bus depot to the care, control and management of the Botanic Gardens is desirable. It does go closer to the promises made emphatically by both Labor and Liberal when they had their turns in Opposition. However, if that is to be the case, and looking at the Bill before us, we see no reason why the land north of First Creek should not also be returned. In fact, a substantial argument may be mounted that no land needs to be dedicated to this particular commercial venture: it could all remain under the care and control of the Botanic Gardens, and the Botanic Gardens, if it must, under the pressure of the Government, offers a lease. As we know, in another piece of legislation the move by the Government is to extraordinary generous lease terms and it would at least have the token that this was not a clear cut abuse and an alienation of giving land away to another corporate entity but it would still be retained somewhat in the ambience of parklands.

There is serious concern by those who are close to this issue, for example, the Friends of the Botanic Gardens and staff of the Botanic Gardens, as to what will be the timing of this project. The herbarium is a world class entity with, I am advised, over 800 000 specimens. There is serious concern that the demolition prior to the preparation of tram barn A as a herbarium would mean the risky storage of those specimens before adequate facilities were in place to take them. It is important that it is clearly spelt out in whatever regulatory way that we can impose that there is to be no demolition of the current herbarium until tram barn A is satisfactorily prepared as a herbarium to take the specimens.

There is another area where we feel a dramatic lack of compliance with reasonable procedures has occurred, and it is one that I know my colleague the Hon. Mike Elliott will want to reinforce. We were led to believe that there would be a process of consultation as a result of the original Bill being passed. I must say that, from my experience as Chair of the Adelaide Parklands Preservation Association and conversations with other groups that would normally be expected to be involved in a consultation process, this just has not happened. There have been two briefing sessions and they were lamentably deficient in providing answers to many significant questions. They were by way of a didactic presentation and then rather brief questions with, in many cases, inadequate or no answers. First, there has been default in a consultation process which has meant that this project has bumbled along without input from interested parties in the community. Secondly, we believe that very little satisfactory costing has been done on the project in any of its contexts, not only the cost of the original building but also the costs involved with the herbarium and the refurbishment of the Goodman building.

It so happens that I was present at a briefing on 9 February called by the project steering committee. One of the members of the Adelaide Parklands Preservation Association, a retired civil engineer, Mr Bill Gibberd, asked the following question—and bear in mind that this is 9 February:

> Is the land north of the Goodman building to be handed back to the Botanic Gardens for management and planning, including the position of the rose garden?

The briefing session was unable to answer. We have seen from the Bill that decisions have been made since that time. It is so much the impression that the decisions were made on the run. It very much smacks of a proposal that lobbed into publicity and into prominence because of the spectacular or the sensational supposed appeal of it without adequate research and planning having been done. The next question asked was:

> Will the wine centre Act be amended accordingly?

At that time (9 February) they were unable to answer, but we know that since that time there has been an amendment and that is before us. The next question was:

> Have firm estimates been prepared for
> (a) establishing a new herbarium;
> (b) refitting the Goodman building; and
> (c) the cost of transfer of Botanic Gardens staff?

The answer to that was, 'No.' The next question was:

> Will all the costs be charged against the wine centre and not reduce the funds of the Botanic Gardens?

The answer indicated that this had not been thought of before, but, yes, under questioning, the answer was they will be charged to the wine centre which throws again into doubt what sort of budget this proposal is working to. Where are the details of how much of the $20 million will go to establishing the new herbarium in tram barn A and the refitting of the Goodman building and how much will be left for the proposed wine centre headquarters? The next question was:

> Will the timetable allow for building the new herbarium to a standard equal to the existing one before demolishing the current building? This is essential to enable a successful transfer of the many thousands of plant samples.

The answer was 'Yes,' but no clear indication has been given regarding what that timetable will be or what assurances will be given and how those assurances will be enforced that indeed this will be the timetable. The final question was:

> Now that more is known of the cost and the difficulty of using the Hackney site and the public outrage over the use of the parklands, can we now make comparative studies of alternate sites as no real economic analysis has yet been done and published?

The responses given indicated that visits were made before the selection of the initial site but it appears that no reports were made, let alone comparative economic studies, and I do not believe there were.

The whole of this sorry saga, as it is revealed step by step, shows very much *ad hoc* planning to attempt to cover over what was quite obviously the two dramatic areas of opposition: first, that any proposal such as this should have been entertained on the parklands. It has been camouflaged as being an enhancement of the parklands, yet, if members look at the Act that is now passed, it really is a blueprint for virtually any type of commercial activity that fits into the context of funding this project and the establishment of the national headquarters of a national industry.

The Hon. L.H. Davis: The wine centre will only be replacing the existing buildings, Ian, and you will have the addition of the landscaping with acres and acres of rose garden.

The Hon. IAN GILFILLAN: We will not necessarily mention the rose garden because it is not in this Bill. The Hon. Legh Davis does mention the rose garden. I know he has a very strong initiative for the rose garden, but I suspect that the management of the Botanic Gardens does not have

much enthusiasm for a large area of roses. That is not really the nature of the conduct of a botanic garden, but I believe that that area could very favourably be used as an area for encouraging regrowth of native vegetation as an appropriate apron to the Conservatory which will be behind it.

The Hon. L.H. Davis: If you can accept that, you can accept roses, too, can't you?

The Hon. IAN GILFILLAN: There is a slight difference between the acceptability of roses in that context compared with the parkland nature, the sort of natural, visual impact that one would have of a series of indigenous Australian plants. The other area of some concern is who will manage the vines because there is an area, although again it is not in either the Bill or the original Act, which we are led to believe will be a dedicated vineyard. That vineyard will need care and control, plant pesticide and weedicide control. Will that be an ongoing cost for the Botanic Gardens? With these increased costs for the Botanic Gardens is there a clear expression of intention by the Government to increase its funding so that it will be able to take on this additional responsibility without reducing its current responsibility for running the Botanic Gardens and the projects involved with that?

I would like to hear from the Government, first, how it intends to meet the cost of this project. That information is not in the Bill and will have to be taken on the basis that we understand from public statements what is intended. Secondly, has there been an assurance from the Federal Government that it will contribute to the project and, if so, how much will it contribute? We realise that the battle to keep the—

The Hon. L.H. Davis interjecting:

The Hon. IAN GILFILLAN: Yes. The Hon. Legh Davis has just shown me a rather attractive illustration of the project. That reminds me of the enormous traffic problems that will have to be dealt with in this area. Some car parking is slotted into the plan, but how many cars does the Government anticipate will require parking? Will cars be parking on the land which is supposed to be returned to the parklands? What facilities are there for bus and tourist bus traffic, and how will that be dealt with? Many questions need to be answered.

The battle over whether or not the wine centre goes ahead at that site has been lost. Although a national wine centre is a great idea, it is yet another example of how many times people have thought, 'There's a good spot to put a great idea: the poor old parklands.' As we will come to learn a little further down the track, and as happened with the Aquatic Centre, once these parasites are there they expand and suck out the character of the parklands of its true essential value. This project will be no exception. Let this exception be a lesson for future years. Never again let this Parliament tolerate the establishment of an administrative headquarters of any type—sport, industry, commerce or whatever—on the parklands. This is not the appropriate location for those proposals.

Sadly, we have lost this fight, but those of us who care about the parklands feel that from now on there will be such resistance to these types of incursions that they will not be repeated. This Bill is a minor improvement on the original Bill and, from that point of view, we will not oppose it.

The Hon. L.H. DAVIS secured the adjournment of the debate.

LOCAL GOVERNMENT (MEMORIAL DRIVE TENNIS CENTRE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 March. Page 572.)

The Hon. IAN GILFILLAN: Sadly, this proposed development is as bad as, if not worse than, the one we were discussing in the debate relating to the National Wine Centre. However, it has one mitigating circumstance: it is not the formal headquarters of a national industry. It is clearly a commercial enterprise that is being offered very favourable treatment in relation to its location on the parklands.

It is clear that both the Adelaide City Council and the Government recognise that both these developments, and this one in particular, are on parklands. At least I take some heart in that. Having had that recognition, I then look at the proposal, and the mind boggles. I have had a chance to look through the issues paper related to the redevelopment of the Memorial Drive Tennis Centre. First, it describes what will be done to improve the centre court arena and states that it needs upgrading so that we do not lose the Australian Men's Hardcourt Championship and other major events. We do not have a problem with that because the courts are already there.

However, the development of the centre court will involve significant improvements to the facilities. The interior refurbishment includes a tournament office suite; upgrading of players' change rooms and ablutions to suit the requirements of a 64-draw tournament; players' lounge; massage-medical room; interview room; stringers' room; ball kids' room; relocation of the media room; provision of new mechanical, electrical and hydraulic services; structural strengthening to current codes; and the provision of data, communications, security and PA services. It is to be noted that this component of the proposal is, in part, preparatory to the redevelopment of the southern stand. There will also be structural repairs and waterproofing of the tiered slab, seat replacement/improvement and external rendering and painting.

The southern stand will have a new roof; upgrade of structure; seat replacement/improvement; glazing to arched openings; entrance and reception area; office accommodation; coaches' room; store; catering preparation area; visitors' change rooms; executive suite, meeting room and board room; corporate boxes; function/meeting room; lift and stairs; toilets; provision of new mechanical, electrical and hydraulic services; structural strengthening to current codes; provision of data, communications, security and PA services; and car park relocation and redesign. This is in the issues paper, and members can get more detail than I intend to put into this contribution.

The argument that has been put to us is that Lloyd's must have this leisure centre so that we can have the upgraded facility to host these events. However, Lloyd's is not contributing one dollar to the improvements that I have just outlined. That all comes from the taxpayers of South Australia: public expenditure goes into that.

From the list of improvements one can see that this redevelopment will provide top class and complete facilities for the event that we are talking about. Unfortunately, one of the major thrusts for this project is that the Memorial Drive Tennis Club is going broke and cannot run its affairs on, I suggest, some of the cheapest rental land available anywhere in the world for a facility of its type. It pays approximately $8 000 a year in lease for the whole of that area and com-

plains that it cannot make a go of it. As a result, Lloyd's has offered the current members of the Memorial Drive Tennis Club life-long membership of its leisure centre. This is beguiling to those people but it means that the Memorial Drive Tennis Club will go out of existence and will be replaced by a commercial venture—Lloyd leisure centre—which is being offered not only that area for this development but also a special Act of Parliament to enable it to have a 50 year lease.

Yet, the Government has the gall to say that this remains parklands. The fact is that a 50-year lease is almost a sentence of alienation, and one can be reasonably certain, depressing though it sounds, that at the end of that 50 years, unless something extraordinary takes place, they will be granted a further 50 years. So, that area will be alienated; it will slip out of people's minds as even being part of the parklands; and it will be gone.

Once again, this project involves substantial car parking facilities; they are talking about underground car parking for 230 or 240 cars. I urge members to take the trouble to look closely at this issues paper, because it outlines this horrendous proposal in some detail. It is so blatantly commercial that it stuns me that it can be presented as a sporting/athletics/leisure entity.

As is spelt out in the issues paper on the so-called sports and fitness centre, the proposed development involves the demolition of the existing club rooms and the construction of a two storey building comprising lounge, dining and kitchen, child minding and function rooms, club offices and concessions to be used by members (that is, while they are alive)—although it does not define what the concessions are—squash courts, indoor and outdoor pools, fitness, health and beauty facilities and undercroft car parking. The total floor areas are: ground floor, 4 260 square metres; first floor, 3 830 square metres; outdoor pool and terrace, 860 square metres; and indoor centre, 1 725 square metres.

The plans show that there is scope for a pool. It is intended to take over a corner of SACA for a further extension with indoor courts and facilities. In fact, I refer to the Bill, because this is where we have very serious concern. Clause 2(2) provides:

> A lease under this section may permit the lessee or lessees to use the leased land or any part of the leased land for the purposes of—
>
> (a) any sport; or
>
> (b) any health, fitness, leisure or other similar activity; or
>
> (c) public recreation or entertainment;
>
> (d) conventions, conferences or receptions, or other similar activities; or
>
> (e) other activities that are incidental, ancillary or subsidiary to a preceding purpose.

Is there anything that could be excluded from that? Under subclause (3), certainly they need the council's consent in writing, but that can quite often be obtained with a bit of arm twisting. They will have the right:

> . . . to erect various kinds of facilities, club rooms, grandstands, booths, fences and other buildings or structures on any part of the leased land, or to remove the whole or any part of a building or structure for the time being on the leased land, or to rebuild or re-erect the whole or any part of a building or structure on the leased land.

Subclause (b) goes on to give them the power to exclude or remove vehicles. Also, they will have the indisputable right to charge. One of the cardinal virtues of the parklands is that they are accessible by the public of South Australia free of charge, yet here we are virtually signing away for at least 50 years—and I suggest that it is more like 100 years; in other words, indefinitely—the right of—

The Hon. T.G. Roberts: You can amend the Bill when it comes back to the House.

The Hon. IAN GILFILLAN: Yes, I might come back again. I don't know about my super! It is tragic, in our view, that we are so glibly signing away a very significant part of the parklands in one of the most precious parts of any city in the world—and we are doing it for a song! Imagine what the price would be if a developer needed to purchase this area of land in this situation.

The Hon. T.G. Cameron: You wouldn't let them sell it.

The Hon. IAN GILFILLAN: No, but there are times when I am powerless to intervene, strange as it may seem.

Members interjecting:

The Hon. IAN GILFILLAN: Parklands and staff; I sometimes get rolled. But I do plead that we review the whole approach of the Government and the council to the parklands. The council has excellent guidelines which, if followed, give substantial protection. Hassell is currently involved in the best analysis of the parklands that has taken place probably this century, if not since the foundation of the State, and it is a shame that we are making decisions about these issues, the wine centre and the leisure centre and, I am afraid to say, the aquatic centre. Members may or may not know that plans have been approved to extend the footprint of that by 40 per cent, with the concomitant increase in car parking. It goes on and on. Future generations will look back and say 'What the hell did they do?' It could easily be the beginning of the end.

While the permanent alienation takes place with the buildings, the so-called contemporary alienation of week after week of contaminating activities—and the activities in themselves are fine. However, if you note the drift, you will see that everything is moving to the parklands: Carnevale, Glendi, the local government Expo, the four wheel drive Expo—

The Hon. Carmel Zollo interjecting:

The Hon. IAN GILFILLAN: They can, but how much land will be left if every function that takes place in the State takes place in the parklands? How many functions can a parklands take and be fenced off week after week and still be parklands? That is a question that I have heard no-one in this Parliament answer. Parklands are defined by open space with clumps of trees.

The Hon. Carmel Zollo interjecting:

The Hon. IAN GILFILLAN: They can. Many people enjoy the parklands as parklands, but many people enjoy footy park, the Wayville showgrounds and many other facilities that are dedicated for those purposes. However, increasingly we are finding that parklands are the bunny for anything that anyone wants to put on, because they are cheap. There are people who feel that if we are to have a function why not have it in the parklands. Those motives may be fine in so far as the actual events are good, and there are some advantages in having them on locations that are cheap or do not cost anything, but sooner or later—and I hope that it is sooner rather than later—those of us who are responsible for what takes place on the parklands will set out regulations that protect them so that future generations will have some parklands to enjoy.

The Democrats strenuously oppose this Bill. The project itself, as with so many others, may well be well planned and fill a niche in the market, but we have not seen any indications that market research has been done which says that this leisure centre is essential and that it has strong market and

public support of its type. If it does, why does it have to be there? There are many other locations where a leisure centre can be placed if it is to be successful and supported by the public at large. It does not have to be next door to a batch of tennis courts. That is surely not the condition that will make it a success.

The other disturbing factor is that, with a Government which believes in competition, where is the tendering? If this is a project that it wants to go ahead, where is the public tendering? Where is the competition? This is most favoured private enterprise virtually being enticed to come in and take over prime real estate in a prime profit-making location in the State. I have heard no justification as to why, if it is such a great idea, there has not been a call for tenders from others apart from Lloyds to offer to provide this facility. So, I hope it is clear to members that the Democrats strongly oppose this Bill and intend to vote against it.

The Hon. T.G. ROBERTS: The Opposition supports the Bill. The honourable member has indicated quite clearly that he will not be down there playing in his Nike shoes and with his Nike tennis racquet. He has certainly put a good case; he has researched it very well. I would have liked to have him on the side for support, because it was a well presented view about what will exist down there. I believe that his reasons for knocking it out are a little thin. Even though I am a great supporter of the honourable member's past history in protecting the environment and the issue of the parklands, I believe that there is a mixed functions clause that operates on behalf of parklands of which we have to be aware.

A lot of the parklands have already been alienated for a specific purpose which, in many cases, are sport and recreation. Memorial Drive and the Adelaide Oval are icons in the eyes of most South Australians in relation to tennis and cricket, the Victoria Park Racecourse was an icon for racing and we have dedicated basketball and netball courts and swimming pools. I believe that most of our forefathers who framed budgets and legislation and encouraged activities—

The Hon. Carolyn Pickles: And mothers.

The Hon. T.G. ROBERTS: And mothers. I believe that bowling is another sporting activity that has taken place in the parklands. These people all made the decision that sport and recreation are acceptable where it is open space, or relatively open space with some structures. They all supported those sorts of activities as being part of the Adelaide lifestyle.

There was a lot of argument about the incursion of the Grand Prix with a part of the chicane, I believe, or a section of the track that went through the Victoria Park Racecourse, and there was an argument put at the time by the Grand Prix Board to erect some permanent structures in the vicinity of the Victoria Park Racecourse. That was opposed by the Government of the day (Labor was in power at the time) on the basis that the building of permanent structures at that point was not appropriate because it would have impacted on some of the other leisure activities that took place around the Victoria Park course when it was not being used for the Grand Prix. The Grand Prix track was used for only two weeks of the year, and it did not seem to make good sense to alienate any more of the land in that area for that purpose. Those who opposed those permanent structures were seen to be correct, because we would have had a lot of permanent structures there which would perhaps have been housing horses during the rodeo, or used for some other purpose that would not have been appropriate.

So, our position is consistent: where there was no further alienation that would impact on the leisure and healthy aspects of other people's pursuits, we were supportive. If those permanent structures were leading to further alienation and further restrictions placed on a broad base of users in South Australia, or potential uses for South Australians, we would oppose that.

So, in line with our general philosophical position, rather than a hard line policy, we are supportive of the proposal being put forward by the developer but would sound a cautionary note, in that we have seen a lot of sports being privatised of late. The first time that the public saw the battle for privatisation of a particular sporting event was when Kerry Packer decided to implement a change of rules and to promote cricket in a way that was a little unusual at the time—to put cricket players in coloured flannels and have them running around under lights—

The Hon. L.H. Davis: On football grounds.

The Hon. T.G. ROBERTS: On football grounds, yes.

The Hon. L.H. Davis interjecting:

The Hon. T.G. ROBERTS: Yes. So there was the unorthodoxy of the takeover of cricket, made into, I guess, a more palatable event for those who want their action all boxed up tightly into one day; whereas I was one of those who preferred the five day tests played out in the traditional style. The one day tests have proved to be popular. The five day tests have survived. The purists certainly still appreciate the five day tests and are sometimes attracted to attend the one day events or to turn them on and watch them on the television. It did attract a new clientele to the sport, and certainly allowed for the survival of test cricket and, to some extent, the Sheffield Shield.

We now have proposals being put forward for TeleTrak, which is a televised version of racing, where no patrons attend. It is purely a television event designed for betting on the Internet and using other electronic means for support. I have mixed feelings about TeleTrak because of the financial aspects of it and the proving up of it but if patrons want to support it, that is up to them. But it certainly has distinctive differences to an active sport, such as galloping or harness racing or dogs, where there is a live participatory audience and there are large sporting clubs and organisations and peak bodies associated with it.

The other instance where the needs of television and the changed nature of the sport is taking place is in the rugby arena, where the multimedia moguls have tried to buy the sport—privatise the sport, if you like—from sporting clubs and organisations that have traditionally been the succour for that particular sport. There was a clash of Titans between the media moguls, who were trying to promote a different form of rugby purely for television purposes and the traditional owners, if you like, of the rugby code, who won that struggle. A compromise has been put together and we are now being saturated through the television channels with a non-participatory sport, in general terms, the same as AFL, soaking up the air waves. I do not believe that it is doing much to encourage young people onto sporting arenas or tracks to try to emulate their heroes.

So, we have a situation where the centralisation of the presentation of sport is now jeopardising the participation rate in those sports, and I believe that it is only a matter of time before there will be gaps between the skill levels and the number of players who will be available and the number of people who are out there playing at club level. So, while the peak bodies will soak up all the developed skills over a short

period of time and certainly maximise their returns through the television royalties that they will receive, small communities are unable to put young teams into the arena because of the lack of finance and support for them. In many cases, they will be watching their superheroes play and not participating. Members might say that is a long way from this Bill, but I think that I can draw an analogy between that and this proposal.

The tennis club has operated on this site for a very long time. It has broad participation within a narrow spectrum of the sport. The lawn tennis courts have been very popular with those people who are privileged enough or wealthy enough to be members of that club, and this proposal is a whole new approach to the development of that site. The Hon. Ian Gilfillan described the site well. He also described the process whereby the Government has to make an injection of funds to make Memorial Drive more suitable as an international venue for sporting events. Also before us is a $19.8 million proposal for an extension to create a venue that will attract televised events, which will be an attraction for spectators but which will be set up more likely for national or international viewing.

I am a little sceptical about big money taking over clubs that have broad-based participation and support. I know that current club members are being encouraged to join the new complex through concessions or free membership to the new complex. In some cases that is used as a carrot to invite people not to oppose a new project but, as other contributors stated in another place, the Government needs to be very sure that the second injection of funds does not jeopardise those grassroots participatory events and administrative structures, and we end up with something that looks like Kerry Packer's circus equivalent of cricket.

My other concern is the openness of the Bill, which allows almost anything. I suspect that, if the proponents wished to put forward any other proposals that are indicated in the Bill, they would have to come back to the Government, so can the Treasurer indicate what process they would have to go through if there were to be further expansion on the site? Will there be open slather on the site? Can the Minister indicate what process they would have to go through to get permission to develop what we on this side of the Chamber would regard as inappropriate activities for that site? The Opposition supports the Bill.

The Hon. L.H. DAVIS secured the adjournment of the debate.

ROAD TRAFFIC (SCHOOL ZONES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 March. Page 550.)

The Hon. CAROLYN PICKLES (Leader of the Opposition): The Opposition supports the second reading. We are here again to debate this issue—it is a bit like *Blue Hills*.

The Hon. Diana Laidlaw: That had a good ending at some stage.

The Hon. CAROLYN PICKLES: I hope this one does, too. This subject was debated only a few months ago and, as far as I am concerned, and I am sure the community would agree, school speed zones have occupied far too much of the Parliament's time. For all our sakes and especially that of our children and the State's motorists, I hope that this is the last time.

The Council last dealt with this issue in December 1997. At that stage, the Minister was embarrassingly forced to introduce legislation to remove any ambiguity in the law about the part-time operation of school speed zones. At that stage, the speed zones operated during certain times of the day, namely, 8 to 9 a.m. and 3 to 4 p.m. According to the Crown Solicitor, the Road Traffic Act did not clearly provide for the part-time operation of speed zones. At a practical level this meant that the South Australian Police had the authority to enforce the speed zone on a 24-hour basis, as opposed to the hours that were advertised on the speed signs. This raised a number of issues that were highlighted by the media, the community and the now President of the Legislative Council (Hon. Jamie Irwin).

At that time I asked the Minister whether any members of the community had launched a legal challenge to the fines. Although at the time the Minister advised there were none, this was not to remain the case for long. On 30 January 1998 the Magistrates Court found that the Minister for Transport did not have the power to establish a part-time school speed zone. As a result, the Minister decided to waive outstanding fines, a move I welcomed, but not refund those motorists who did the right thing and paid their expiation. However, the plot thickened, as I demonstrated in Parliament last week. The South Australian Police are totally confused about the status of fines and the public is still receiving fine enforcement orders. This debacle has left some members of the community feeling angry, cheated and, at best, confused.

In my second reading speech in December, I also highlighted a number of other concerns I had with the previous legislation. These issues included the inadequate size of the signs, the placement of the signs, the lack of warning to motorists of the impending zone, and the inconsistency of the hours of enforcement, and I believe that this legislation has now addressed these issues, and I am pleased about that.

Leaving all that aside, the Opposition was prepared to support that legislation in the public interest and, more importantly, to support the undertaking given by the Minister to reconvene the Pedestrian Facilities Review Group. As I said in December 1997, the Opposition will support any measure designed to protect and enhance children's safety. However, accompanying that is the need to provide certainty to motorists, most of whom want to do the right thing when it comes to protecting children.

The Minister is now trying to get it right for the second time and I am afraid that has come at a great cost to the public: cost in terms of the financial burden as a result of the misleading signs; and, more importantly, confusion. From discussions with the public and those fined, I determined that not one of them minded slowing down for children. It was the fact that they lacked any warning of the speed restrictions or they could not read the hours on the sign, which were misleading, anyway.

It is also interesting but concerning that the Pedestrian Facilities Review Group, which made several recommendations, was unable to reach a consensus on this issue, which is a sign of its own lack of confidence in the handling of this matter. Of particular difficulty I find, which is not surprising, having once had school-aged children, is the appropriate hours of operation of the zone, which matter I raised with the Minister in December.

The Government's solution to this impasse has been to declare that the speed restrictions should apply at all times

when children are present in the zone, as opposed to the part-time operation of the zone. Technically, this means that a child who is in a school zone at 10 p.m. would require the motorist to slow down and, if not, incur a speeding fine. I understand from my discussions with the police that they are sensitive to these issues and have indicated that they will be sensible about applying the legislation. They have assured me that they operate mostly in the enforcement area at the time when children go to school and come from school. However, the public has to know that it will apply at all times, as it has for the last 60 years. I understand that the Minister will conduct an education campaign, which I welcome. I hope that will clear up the issue finally.

However, also included in this legislation before us is something to which I do object: the reverse onus of proof. If this issue had not been an almighty stuff up from day one, I might have been a bit more sympathetic to the Minister's proposal; however, I think it is asking a bit too much of the motorist. Incidentally, I thank the Minister for her advice on this matter; unfortunately, it arrived only a few hours ago. At a practical level, the reverse onus of proof means that fined motorists will need to prove that children were not present in the school speed zone at the time of being fined. In her briefing paper to me the Minister said:

> . . . meanwhile, any driver charged with speeding will be able to defend the matter if they wish to deny that there were children present.

How successfully can a motorist prove a child was not present? As Mr John Harley of the Law Society said:

> . . . it will be impossible for a motorist to disprove the allegation that there was a child in the vicinity.

There is a presumption of guilt even before you have had the opportunity to defend yourself. I indicate at this stage that the Opposition will oppose clause 6 of the Bill.

Another question that I put to the Minister relates to clause 3 and the interpretation of a 'school' in paragraph (b). Paragraph (a) provides that a 'school' means a primary or secondary school or a kindergarten, while paragraph (b) provides that it is an institution of a prescribed class. I understand that after this clause is inserted these signs will then be dealt with by way of regulation. I understand that the Minister, as have I, has been approached by the child care lobby, which would like to see this legislation extended to cover them, and that this would allow for that to take place if the Minister so chose at some later stage. I understand that not all child-care centres would require this type of school warning signs outside their premises, but there are some—and I would hope that the Minister would take some advice about some of those areas where there could be some danger—

The Hon. Diana Laidlaw: I am not moving anything until you agree.

The Hon. CAROLYN PICKLES: If it is in the interests of the safety of children I am prepared to support it, and I give the Minister that undertaking at this stage. Perhaps the Minister might like to put on the record how the Government will deal with the whole issue of child-care centres and how it might deal with it in the future. I do not wish to delay the implementation of this legislation by moving an amendment to that at this stage, but I would hope that consideration will be given to those child-care centres where it has been indicated that there are problems. I support the other measures in the Bill, including the improved visibility of the signs and the use of warning devices which both are issues that I raised back in December. I think that those are excellent measures which will make the signs much clearer.

I am also pleased with the Government's announcement that it will install flashing lights or other forms of crossings near schools, starting with main or arterial roads. Ideally, we all would like to see crossings or flashing lights at all school speed zones; however, I do appreciate the enormous cost associated with this and the fact that therefore it becomes impractical. Nevertheless, there are some relevant roads which may not be designated as main or arterial roads. I hope the Minister will look at safety aspects of the pedestrian crossing adjacent to Wandana Primary School. Perhaps the Minister can give a definition of an 'arterial road' and a 'main road' for the purposes of installation of pedestrian-actuated or flashing lights.

The member for Torrens has raised with me her concerns about the Wandana school. I understand that the Minister wrote to the member for Torrens on 8 February in response to the member for Torrens's raising the issue in Parliament. Perhaps in her second reading response the Minister could define how a main road is designated and how an arterial road is designated for the purposes of the installation of these warning signs. Can the Minister also detail the costs associated with the installation of flashing lights or pedestrian-actuated lights, the new signs, the road markings and the publicity campaign? I think that those costs should be a matter for the public record.

The LGA has raised another matter with me. The LGA has opposed the providing of funding in relation to the speed zones. I think that the LGA has a very good point. After all, it feels that it was not its fault that the signs were not legally satisfactory. I believe that the LGA should not have to pay for the Government's mistake. Perhaps the Minister could advise me whether she has resolved the issue of funding with the LGA. Again, the Opposition would not delay the passage of this legislation because that issue had not been resolved, but I would hope that the issue can be resolved.

The other issue that has been raised with me and about which I have had some discussion with the Minister relates to the confusion surrounding the definition of a 'child' in subsection (2) of clause 5(b), which provides:

> (2) 'child' means a person under the age of 18 years and includes a student of any age in school uniform.

I understand what that means, but what has been raised with me is the issue of a couple of 16 year olds who are wandering up and down the road close to the school sign, who are not in a school uniform and who would be covered by this legislation. Perhaps the Minister can comment about that in relation to the implementation of the legislation. I have had extensive discussions with the RAA, the LGA and the South Australian police. I thank them for their advice. The Law Society of South Australia also has provided me with advice for this second reading contribution. It is fair to say that all groups, including the Minister, have their hearts in the right place. I believe that the Minister and I share the concern about the issue of road safety and that, apart from that one clause on the reverse onus of proof, this is improved legislation. I can only hope that finally the community understands what it is all about.

I believe that this has been a trying issue for the community. If it is angry or feels misled, it has every right to feel that way. Perhaps the Minister might think twice before she has another brainwave in terms of supporting implementation for change in this area and ensures that any legislation

has the support of the whole community, is clear and is legally enforceable. The community has been extremely patient. Hopefully, this time we will have some legislation and an effective road safety measure that everyone can support.

The Hon. J.S.L. DAWKINS secured the adjournment of the debate.

The Hon. K.T. GRIFFIN: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

MFP DEVELOPMENT (WINDING-UP) AMENDMENT BILL

In Committee.

Clauses 1 to 9 passed.

Clause 10.

The Hon. M.J. ELLIOTT: I oppose this clause. I have expressed a concern about the final form of the Act following this amending Bill. The Bill is supposed to have the effect of winding up the MFP but, so far as the winding up is concerned, no timetable appears in the legislation—there is no timetable at all. That effectively leaves a shell which retains the powers of the MFP in some form. The effect of the repeal of section 12 of the principal Act is to repeal a requirement for an EIS on the core site. So far as the MFP continues to exist, which it does, after the passage of this Bill, I do not see why a requirement, which was made before in relation to EIS's, should be removed.

I suppose that I have learnt from bitter experience not to show a great deal of trust on these sorts of matters. No adequate explanation has been given as to why it needs to be repealed. Some suggestion has been made that the Government would try to wind up the whole thing in a couple of months. If that were the case, what is the point of abolishing this requirement for an EIS during those two or three months? Perhaps I would feel a little more comfortable if the Government inserted a sunset clause in the legislation which caused the whole Act to expire, but it has not done that. No adequate explanation has been given as to why the necessity for an EIS for works is to be removed, and I therefore believe that section 12 of the principal Act should not be repealed.

The Hon. K.T. GRIFFIN: I make a couple of general observations: first, it is correct that the Government does intend to wind up this corporation as quickly as possible, but some transitional issues need to be addressed and that is the reason for retaining the corporate structure for a period. I indicated in my second reading reply that several months was expected to be the period during which—and, by 'several months', two months is probably a more definitive period—we wanted to have the transfers of officers and the property issues resolved. For that reason one needed to retain the corporate structure, although, as with the Minister's forming the body corporate, in effect, it will be a corporation sole.

If we could put a specific time in the Bill that would certainly satisfy everyone, but the difficulty is that in the translation of staff and others one does not really know what hiccup might occur which might cause a problem if a specific time frame was set down in the legislation. It is my understanding that if we were to repeal, as the Bill proposes, section 12 in clause 10, then the general planning laws will, as I understand it, apply to any applications for development. But, as I indicated in my second reading reply, an EIS for the core site was previously completed and there is no need to retain the provision as it has served its purpose.

I can indicate that, in relation to the next clause in respect of which the Hon. Mr Elliott has an amendment, we will be raising no objection to his proposal that section 13 of the principal Act be repealed, and that relates to the compulsory acquisition power.

The Hon. P. HOLLOWAY: The Opposition had some interest in this matter when the Hon. Mike Elliott raised it. There certainly appeared to be some anomaly with the system. The Minister has already told us that under clause 15 he would expect the Act to expire in two months. I accept the Attorney's assurance that there are some problems in relation to fixing a precise date. However, we would certainly like an undertaking from the Minister that the Government would not seek to use this MFP shell as a vehicle to undertake any development on the core site in that period. Certainly, that is not the intention of the Bill and we would see this issue which has been raised by the Hon. Mike Elliott as being an anomaly. Nevertheless, we would like some assurance from the Minister that the Government has no intention of undertaking any work on that site that has not already been covered.

The Hon. K.T. GRIFFIN: I do not have the relevant officer here to give the honourable member an unqualified assurance. I can tell the honourable member what I believe to be the position, that is, that this structure is proposed to be wound up as quickly as possible and that is likely to be a period of approximately two months; and that it is not intended to use the shell for the purposes of further development beyond those which are presently occurring, the Mawson Lakes development and so on. The purpose of the shell is really to ensure that the translation of staff and the transition period are able to be properly managed. That is as far as I can take it. I cannot say—because I just do not know and I do not have an officer here to tell me—whether or not I am on the right track and, even if the officer did, I might be cautious about giving an unqualified assurance, knowing how much these things can come back to haunt one.

The best information I have is that there is no way in which we would seek to be using this for purposes beyond those for which powers and authorities have already been exercised, except in the context of transition and winding up.

The Hon. M.J. ELLIOTT: I had requested that we not go into the Committee stage of the Bill today. We now have the Minister saying that because he does not have an officer here he cannot actually—

The Hon. K.T. Griffin: You did not request not going into Committee; that's not correct.

The Hon. M.J. ELLIOTT: I requested that we did not proceed, which means exactly the same thing.

The Hon. K.T. Griffin: You requested me about five minutes ago when I said that I would like it to go on and you threw up your hands and said 'Boom'. If you want to ask lots of questions, I am happy to put it off until tomorrow; I do not mind.

The Hon. M.J. ELLIOTT: There are not lots of questions. I thought the question asked by the honourable member was a very reasonable one: can the Minister give us an assurance in relation to the winding up period that no development will be commenced on the area covered by this clause that is about to be removed? The Minister said that he could not give that assurance.

The Hon. K.T. Griffin: To the best of my knowledge.

The Hon. M.J. ELLIOTT: To the best of your knowledge but, putting it simply, you could not give that assurance. I now make the point to the Hon. Mr Holloway that, logically, the question must be: what purpose does it have in eliminating this clause if there is no intention to do anything? The Government might want to argue if it so wishes that it is superfluous, but it is superfluous only if it intends to do nothing. If it intends to do nothing, it will do no harm remaining in the Act.

The Hon. K.T. GRIFFIN: The Government took the view that it had served its purpose and it is part of the winding down process. It is as simple as that.

The Hon. P. HOLLOWAY: The dilemma that the Opposition faces is that, if we do not take this clause out, clearly the whole Bill will be deleted, anyway. What we would like to know is, if we were to take the course of action proposed by the Hon. Mike Elliott, what problems would be created?

The Hon. K.T. GRIFFIN: I will report some progress and we will deal with it tomorrow. I must confess that I had not been aware of those questions. I am happy to get some advice, so we can do it tomorrow.

Progress reported; Committee to sit again.

[Sitting suspended from 6.7 to 7.45 p.m.]

PUBLIC SECTOR MANAGEMENT (INCOMPATIBLE PUBLIC OFFENCES) AMENDMENT BILL

Returned from the House of Assembly without amendment.

LEGAL PRACTITIONERS (QUALIFICATIONS) AMENDMENT BILL

Returned from the House of Assembly with the following amendment:

Page 9, after line 12—Insert new clause 13 as follows:

Amendment of section 95. Application of certain revenues.

13. Section 95 of the principal Act is amended—

(aa) by striking out from subsection (1) 'The Treasurer' and substituting 'Subsection (1aa), the Treasurer':

(a) by striking out paragraph (a) of subsection (1) and substituting the following paragraph:

(a) an amount approved by the Attorney-General towards the Society's costs in exercising any powers or functions delegated to the Society under this Act; and;

(ab) by inserting after subsection (1) the following subsection:

(1aa) If the Society collects practising certificate fees pursuant to an assignment of functions by the Supreme Court, the Society may retain a proportion of those fees approved by the Attorney-General for the purposes specified in subsection (1).

(b) striking out subsection (2) and substituting the following subsection:

(2) The Treasurer may, on the recommendation of the Attorney-General, make payments towards

(a) meeting any expenses incurred by LPEAC in exercising its functions and powers under this Act; and

(b) defraying the costs of administering Part 6.

Consideration in Committee.

The Hon. K.T. GRIFFIN: I move:

That the amendment be agreed to.

This amendment is a money clause. It will allow the Law Society to retain money it receives from practising certificate fees and apply it for the purposes set out in section 95(1). The Law Society presently issues practising certificates on behalf of the Supreme Court. This is expected to continue. At present the Law Society reimburses the practising certificate fees and pays them to the Treasurer, who then reimburses the society for its cost of issuing practising certificates, pays the society an amount towards the cost of the society's law library and an amount for the society to pay to the guarantee fund. The amendment will eliminate this round robin of cheques.

Motion carried.

STATUTES AMENDMENT (CONSUMER AFFAIRS) BILL

Returned from the House of Assembly without amendment.

VALUATION OF LAND (MISCELLANEOUS) AMENDMENT BILL

Received from the House of Assembly and read a first time.

The Hon. K.T. GRIFFIN (Attorney-General): I move:

That this Bill be now read a second time.

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

Leave granted.

The State Government's 'Planning Strategy for Country South Australia' has, as a priority, the protection of productive agricultural land. The value of rural production in South Australia has a significant impact on South Australia's economy, accounting for approximately $2.3 billion of South Australia's export income.

Primary production land close to urban centres is subject to the pressures of urban development. The protection of productive agricultural land requires the establishment of conditions necessary for efficient and sustainable business. These conditions include the adoption of rating and taxing valuations that reflect productive primary production land uses. The adoption of this approach ensures that a primary producer in a locality favourable to land development is not penalised for continuing farming when compared to a primary producer operating in an area not influenced by such land development opportunities.

Section 22A of the *Valuation of Land Act* introduced Notional Values in 1981 to protect genuine primary producers from rating valuations based on the highest and best use of the land. Notional Values determined under this section ignore the potential for uses other than for the business of primary production.

In determining Notional Values, the Valuer-General's policy has always ignored the existing internal subdivision of a landowner's property if the property is used for the business of primary production. However, a recent legal opinion suggested that where a property had existing subdivision, the Notional Value should be determined by including enhancements to value resulting from that subdivision. An amendment to the *Valuation of Land Act* will ensure the continued application of Notional Values to the properties of genuine primary producers where the property is affected by existing subdivision. The amendment will be retrospective to protect ratepayers from any possible liability for back rates and taxes.

A Notional Values Working Party was established in November, 1995 by the Minister for Environment and Natural Resources to examine and interpret the intention and application of Notional Values to preserve primary production land. The Valuer-General's policy on Notional Values, in response to the recommendations of the Working Party, has been amended to ensure all properties used for the business of primary production receive a Notional Value where the value of the property is enhanced by a use other than primary production.

The introduction of the policy has the potential to increase the number of properties with Notional Values thus adversely affecting the revenue bases of rating and taxing authorities. A study undertaken by the Deputy Valuer-General found that the introduction of the policy would reduce the revenue bases of the local government areas most affected by up to 3.5 per cent.

To limit the negative effects of a greater number of Notional Values on rating or taxing authorities, and ratepayers more generally (including those who currently have Notional Values), the benefit

of the concessional value should be delayed to financial years subsequent to that in which the application for a Notional Value is made. Delaying the operational date of Notional Values in this way will limit the impact of newly established Notional Values on the budgets of rating and taxing authorities. Existing revenue and budgets will be unaffected by the successful application for a Notional Value: the new Notional Value will only have to be taken into account in forming subsequent budgets.

The Notional Values Working Party endorsed the amendments on the 29 January, 1997 following consultation with local government. The proposed amendment will:

- retain the current incentives for ratepayers to continue using their the land for the business of primary production even where an existing subdivision of the holding is in place, thus assisting in the protection of productive agricultural land.
- allow primary producers to avoid liability for increased rates and taxes caused by property values reflecting the existing subdivision of their property.
- reduce the budget impact on many local government authorities following a change in the Valuer-General's policy on the eligibility criteria for Notional Values by restricting the operation of a Notional Value for rating and taxing purposes to subsequent financial years. Rural districts close to major urban centres, where the application of concessional Notional Values is likely to be concentrated, would particularly benefit from this amendment.
- increase the maximum penalty for not informing the relevant valuing authority of a change in circumstance affecting the owner's entitlement to the benefit of a Notional Value.

Common date of Valuation

General Valuations of land are made in all local government areas of the State, largely for rating and taxing purposes. Currently there are 21 dates of valuation placed in the government gazette which correspond to the completion date of the valuation for the relevant local government area.

In a sharply rising or falling real estate market there may be inconsistencies in value levels where adjoining local government areas are valued up to six months apart.

Rates notices are mailed at different times by different rating authorities. The various users of the values often believe the rating value is current at the time of mailing. The establishment of a common date of valuation for all local government areas, as proposed by this Bill, will benefit ratepayers by providing clarity concerning the underlying basis of the valuation. The use of a common date of valuation will also provide consistency of value levels across the various local government areas and the State, especially for owners with multiple holdings in various local government areas. Public and industry understanding of the value levels would be enhanced if all rating and taxing notices listing the valuations relate to a common date of valuation.

The current system relies on the valuer's judgment to predict the value levels at a future point in time. The common valuation date will facilitate the determination of values at a common point in the past.

A common valuation date will assist Councils in the process of amalgamation as part of local government reform by providing them with value data relating to a single point in time. This will assist in rate revenue modelling for prospective new larger Council areas.

All other States, with the exception of Victoria, have implemented a common valuation date.

Limited objection period

Early in 1995, the Local Government Association made a submission to the Minister for the Environment and Natural Resources (the Minister then responsible for the administration of the *Valuation of Land Act*) regarding the difference in the time allowed to lodge an objection to a rating valuation under the *Local Government Act* and the *Valuation of Land Act*.

The *Local Government Act* allows for a period of 21 days from notification of valuations in which to lodge an objection. The *Valuation of Land Act* allows ratepayers to object at any time while the valuation is in force.

Agencies using the Valuer-General's valuations for rating may have significant reductions to their income when objections to the valuations are successful. These reductions in income currently can occur throughout the financial year thereby affecting the current budgets of agencies. Agencies affected by successful objections would have greater flexibility in managing income cash flows and be able to allocate financial resources more effectively if objections were limited to a specific period of time. Net revenue totals could be finalised much earlier in the financial year.

Statistics reveal that 60 per cent of objections are lodged by the end of September each year. This increases to 80 per cent by the end of December, with the remaining 20 per cent of objections being lodged in the second half of the financial year.

A working party comprising representatives from Local Government, South Australian Institute of Rate Administrators and Department of Environment and Natural Resources, with input from S A Water and the State Taxation Office, was established to determine a common objection period for the *Local Government Act* and the *Valuation of Land Act*. The relevant legislation and policy concerning this issue has been examined by the working party.

The working party recommended that both Acts be amended to allow objections to be lodged up to the 30th of September or within 60 days of the date of the first rating and taxation notice, whichever is later. Amendments to the *Local Government Act* based on those recommendations have been passed by Parliament, although the amendments have not been brought into operation. The provisions of this Bill modify the recommendation of the working party to ensure that ratepayers have 60 days to lodge an objection from the date that notice of a valuation is first served on them by a given authority. If they are subsequently given notice of the valuation by a different authority, they will have a further 60 days from the date of that subsequent notice (unless they have already objected). This Bill also proposes amendments to the *Local Government Act* to establish a common objection period for both Acts.

The proposed objection periods ensure property owners and tenant's rights are preserved by giving enough time for the rate notice to reach them and for an objection to be lodged.

Local government and SA Water budgeting will be enhanced by having the vast majority of objections dealt with early in the rating year. The State Taxation Office will have all objections to values for Land Tax lodged within 60 days of giving notice under the Act.

By condensing the period in which to lodge an objection, more efficient use of staff resources can be made in agencies receiving and processing objections to value. This results from the processing of objections within a set period rather than across the whole financial year.

Both Victoria and Queensland have a 60 day period within which objections to valuations may be lodged. There is no specified date within New South Wales legislation.

Appointment of a Valuer-General

Currently the *Valuation of Land Act* allows for the Governor to appoint a Valuer-General for a term up to age 65 years.

A Valuer-General has not been appointed since March 1993 following the resignation of the former Valuer-General pending the change in the terms of appointment. A Deputy Valuer-General has been administering the *Valuation of Land Act* in the interim.

The statutory appointment of the Valuer-General until age 65 was intended to make the position independent from political interference. While achieving this particular objective, it does not reflect current administrative practices and the principles of *Public Sector Management Act* term appointments. A contract appointment of 5 years would be consistent with contract positions under Section 40 of the *Public Sector Management Act*.

A contract appointment applies to other positions requiring independence such as the Director, Public Prosecutions and the Police Complaints Authority.

Similar provisions to that of the New South Wales *Valuation of Land Act* are included in the Bill concerning the fixed term appointment, and reappointment, of a Valuer-General.

If the Valuer-General is appointed for a fixed term, there are no clauses in the *Valuation of Land Act* to prevent the incumbent from taking the statutory role to another position unrelated to the valuation function of the office. Administrative problems under these circumstances were experienced when the previous Valuer-General was appointed Chief Executive of another administrative unit of Government but was reluctant to vacate the statutory office. The proposed amendments provide for these situations in a manner similar to that of the New South Wales *Valuation of Land Act*, by requiring Ministerial approval for employment outside of the statutory role.

Explanation of Clauses

The provisions of the Bill are as follows:

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for the commencement of the Bill. Paragraphs *(a)* and *(b)* of clause 12 apply retrospectively. They are taken to have come into operation on the day on which the provisions of the principal Act that they amend originally came into operation. (They amend subsections (1) and (2) of section 22A of the principal Act, which deal with the entitlement to and determination of notional values). Clause 17 of the Bill, which amends section 173 of the *Local Government Act 1934*, comes into operation immediately after section 12*(b)* of the *Local Government (Miscellaneous) Amendment Act 1997* comes into operation. The other provisions of the Bill come into operation on a day to be fixed by proclamation.

Clause 3: Amendment of s. 6—Valuer-General and Deputy Valuer-General

This clause amends section 6 of the principal Act, which deals with the appointment of the Valuer-General and Deputy Valuer-General. Where the Valuer-General is temporarily absent from his or her duties, or the office is temporarily vacant, subsection 6(2) currently empowers the Deputy Valuer General to perform the functions and duties given to the Valuer-General under the principal Act. This amendment empowers the Deputy Valuer-General to also (in that situation) perform any functions or duties given to the Valuer-General under any other Act. The amendment also provides that during the appointment of a Deputy Valuer-General references in other Acts to the Valuer-General will (in relation to the functions or duties of the Valuer-General) be read as references to the Deputy.

Clause 4: Amendment of s. 7—Delegation

This clause amends section 7 of the principal Act, which empowers the Valuer-General to delegate his or her powers, duties, etc., under the principal Act. This amendment empowers the Valuer-General to delegate powers, duties, etc., conferred on the Valuer-General by other Acts as well.

Clause 5: Amendment of s. 9—Term of appointment, etc.

This clause amends section 9 of the principal Act, which deals with the term of appointment of the Valuer-General and the ways in which the Valuer-General can be removed or suspended from office.

Section 9(1) currently provides that the Valuer-General is appointed for a term expiring on the day on which he or she reaches 65. This amendment provides that the Valuer-General is to be appointed for a term not exceeding five years and is, on the expiration of a term of office, eligible for reappointment for a further term not exceeding five years.

Section 9 also currently provides that the Valuer-General can be removed from office by the Governor on an address by one or both Houses of Parliament (depending on the circumstances) asking for his or her removal. Other situations in which the office becomes vacant include the Valuer-General becoming bankrupt or being convicted of an indictable offence or becoming (in the opinion of the Governor) incapable by reason of illness of performing the functions and duties of the office. This amendment adds a further situation in which the office of Valuer-General becomes vacant: it empowers the Governor to remove the Valuer-General from office where the Valuer-General engages in any remunerative employment, occupation or business outside the duties of the office without the consent of the Minister.

This clause also inserts subsection (6), which provides for the reappointment to the Public Service of a person who was a Public Service employee immediately prior to his or her appointment as Valuer-General. Where such a person is not reappointed as Valuer-General at the end of a term of office, he or she is entitled, if his or her conditions of appointment so provide, to be appointed (without any requirement for selection processes to be conducted) to a Public Service position at least equivalent to the one that he or she left.

Clause 6: Amendment of s. 11—General valuations

This clause amends section 11 of the principal Act, which requires the Valuer-General to make general valuations within each area of the State and prepare a valuation roll for each area. This amendment removes an obsolete reference to the commencement of the principal Act.

Clause 7: Substitution of s. 12

This clause repeals section 12 of the principal Act and substitutes a new section 12. Section 12 currently provides that where a general valuation of land is made in an area the value assigned to land for the purposes of that valuation is to be the value of the land as at the date of completion of the general valuation: i.e., values are to be assessed as at the date of completion of the general valuation.

This amendment provides that the date at which the value must be assessed is the date determined by the Valuer-General in relation to the general valuation. That date can be before, on or after the completion of the general valuation for the relevant area if the Valuer-General so determines.

Clause 8: Amendment of s. 13—Notice of general valuation to be published in Gazette

This clause amends section 13 of the principal Act which, among other things, requires the Valuer-General to give notice of a general valuation in the *Gazette*.

The clause makes a number of changes that are consequential upon the insertion of new section 12 into the principal Act. It also amends subsection (3) of section 13. Subsection (3) currently empowers the Valuer-General to determine a commencement date for a general valuation: i.e., to determine a date at which the new valuations that comprise a general valuation supersede the previous valuations. This amendment requires the Valuer-General to include that commencement date in the notice of the general valuation that is required to be published in the *Gazette* under this section.

Clause 9: Amendment of s. 14—Frequency of general valuations

This clause amends section 14 of the principal Act which, among other things, allows the Valuer-General to make a new general valuation by declaring by notice in the *Gazette* that the existing valuation roll correctly represents the value of land in the relevant area. The Valuer-General can do so where he or she is of the opinion that values have not materially changed since the previous general valuation for that area. This amendment provides that where a general valuation is made in this manner, the date as at which the values will be taken to have been assigned to the land for the purposes of the 'new' valuation will be the date specified by the Valuer-General in the *Gazette* notice. That date can be before, on or after the date of the notice if the Valuer-General so determines.

Clause 10: Amendment of s. 15—Valuer-General may value any land

This clause makes a minor amendment to section 15 of the principal Act that is consequential upon the changes made to sections 12 and 14.

It also makes it clear that the date determined by the Valuer-General for the commencement of a valuation made under this section may be the date of that determination as well as before or after that date.

Clause 11: Amendment of s. 22—Adoption of valuations

This clause amends section 22 of the principal Act to make it clear that the date on which a valuation comes into force under this section can be the date that the valuation is adopted by the Valuer-General, as well as before or after that date if the Valuer-General or other authority is satisfied that a person is entitled to the benefit of this section.

Clause 12: Amendment of s. 22A—Notional valuations to be made in certain cases

This clause amends section 22A of the principal Act. Under section 22A, where the Valuer-General or other valuing authority is satisfied that a person is entitled to the benefit of the section, the Valuer-General or other authority can (and must at the request of that person) reduce the valuation that would otherwise be given to the person's land.

To be entitled to the benefit of the section the owner has to have a particular interest in land (fee simple, Crown lease, etc) and one of the conditions set out in subsection (1)*(b)* (e.g. the land is used for the business of primary production) must be satisfied. In addition, the value of the land must in the opinion of the Valuer-General or other valuing authority be enhanced by its potential for subdivision or for use for a purpose other than that referred to in the relevant condition in subsection (1)*(b)*.

In these circumstances the Valuer-General or other valuing authority, in determining the value of the land, can (and must at the request of the person) ignore any enhancement in value resulting from that potential for subdivision or alternative use. The land is valued as if that potential for division or for changed use did not exist.

This clause amends section 22A to enable the Valuer-General and other valuing authorities to also ignore any enhancement to the value of the land resulting from an existing (rather than potential) division of the land. This amendment applies retrospectively *(see clause 2 of this Bill)*. It is to be taken to have formed part of section 22A since the relevant parts of that section were first enacted.

This clause also repeals subsection (5) of section 22A, inserting subsection (2a) in its place. Subsection (5) provides that the making of a valuation under this section does not affect rates or taxes for which the owner has already become liable. Subsection (2a) instead provides that a valuation under this section (ie. a valuation that ignores any enhancement in the value of the land resulting from

division of the land or a potential for the different use of the land) only operates for rating or taxing purposes in respect of financial years subsequent to the financial year in which the request for that valuation under this section was made. If the request was made in the last month of a financial year the notional valuation only operates for years subsequent to the financial year immediately following that in which the request is made. Under new subsection (10) a certificate issued by the valuing authority is proof of the date of receipt of the request in the absence of proof to the contrary.

Finally, this clause increases the penalty for failing to notify the relevant valuing authority of circumstances by virtue of which the owner ceases to be entitled to the benefit of this section or transactions by virtue of which a change of ownership of the land may occur. The current maximum penalty is a fine of $2 000, with an expiation fee of $200. The new maximum penalty is a fine of $5 000, with an expiation fee of $315.

Clause 13: Amendment of s. 22B—Heritage land

This clause amends section 22B of the principal Act, which provides that in valuing State heritage land a valuing authority has to take into account the fact that the land forms part of the State heritage and disregard any potential use of the land that is inconsistent with its preservation as part of the State heritage. This clause increases the penalty for failing to notify the relevant valuing authority that land valued under this section has ceased to form part of the State heritage. It increases the penalty in the same manner as for the equivalent offence under section 22A: from a maximum fine of $2 000 to a maximum of $5 000, with the expiation fee increasing from $200 to $315.

Clause 14: Substitution of s. 23

This clause repeals section 23 of the principal Act and substitutes new section 23. Section 23 currently requires the Valuer-General to give notice of a valuation to the owner of the land. It provides that inclusion of the valuation in an account for rates, etc., will constitute notice of valuation for the purposes of the section. The new section 23 adds more detail to these provisions, removing references to 'giving' notice and substituting more precise references to 'serving' notice. (This additional detail is required as a consequence of the amendment to section 24 of the principal Act). The new section also empowers the Valuer-General to give notice of the valuation to the occupier of the land instead of the owner, where the Valuer-General thinks it appropriate, or to give notice to both. The new section makes it clear that—

(a) the Valuer-General has to serve notice of a valuation on the owner or occupier of the land (or both);

(b) an account for rates, etc., that includes the valuation will be taken to constitute notice of the valuation for this purpose; and

(c) service of the account under the Act imposing the rate, etc., will constitute service of the notice of valuation.

Clause 15: Amendment of s. 24—Objection to valuation

This clause amends section 24 of the principal Act. Section 24 provides that a person who is dissatisfied with a valuation of land in force under the Act can object to that valuation by notice served on the Valuer-General. This amendment specifies a time limit within which such an objection must be made if notice of the valuation is given to the owner or occupier of the land. In particular it provides that after notice of a valuation (whenever made) is first served on the owner or occupier of the land after the commencement of this amendment, an objection to the valuation may only be made by the owner or occupier so served within 60 days after the date of service of the notice. However, if the owner or occupier is served with a further notice of the valuation, the person so served has a further right to object to the valuation as long as the further notice is the first notice of the valuation served on the person under the Act under which the notice is served and the objection is made within 60 days after the date of service of that further notice.

This clause also makes it clear that a person cannot object to a valuation if the Valuer-General has previously considered an objection by that person to the valuation.

For the purposes of determining the precise period within which an objection to a valuation must be made, this amendment provides that notice of the valuation sent by post to a person at a proper address for service of that person will be taken to be served at that address at the end of the second day after the day on which it was posted, unless it is proved that it was not delivered to that address at all. The authority sending the notice can issue a certificate specifying the notice and when, where and to whom it was sent, and such a certificate is proof of those matters in the absence of proof to the contrary.

Clause 16: Statute law revision amendments

Clause 16 and the schedule set out further amendments of the principal Act of a statute law revision nature.

Clause 17: Amendment of Local Government Act 1934

This clause amends section 173 of the *Local Government Act 1934*. Section 173 makes provision for the making of objections to valuations made by a valuer employed or engaged by a council (as opposed to valuations made by the Valuer-General). Under that section objections have to be made within 21 days after the objector receives notice of the valuation to which the objection relates (unless the council in its discretion allows an extension of time for making the objection). This amendment provides that objections must be made within 60 days after the date of service of the notice of the valuation to which the objection relates (unless the council in its discretion allows an extension of time for making the objection).

Under clause 2(2) of this Bill, this amendment will come into operation immediately after the commencement of section 12*(b)* of the *Local Government (Miscellaneous) Amendment Act 1997*. Section 12*(b)* of that Act, which has been passed by Parliament but not yet brought into operation, also amends section 173 of the *Local Government Act 1934*, inserting an objection limitation period that is different from the one inserted by this amendment. The effect of the commencement clause is to repeal the amendment to the *Local Government Act 1934* made by section 12*(b)* of the *Local Government (Miscellaneous) Amendment Act 1997* as soon as it comes into operation, inserting the amendment made by this clause instead.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

TECHNICAL AND FURTHER EDUCATION (INDUSTRIAL JURISDICTION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 18 March. Page 553.)

The Hon. CAROLYN PICKLES (Leader of the Opposition): The Opposition supports the second reading of the Bill. We will be moving an amendment in the Committee stage that was moved in another place and was lost. We believe it is important to bring this Bill back to its original form as it was handed to the shadow Minister in another place. As has been outlined by the shadow Minister in another place, the Opposition does not have any quarrel with this legislation, which we believe clarifies some issues of the operation of the industrial jurisdiction in relation to TAFE.

In a majority decision in August 1997, as I understand it, the full Industrial Relations Court of South Australia expressed the view that the provisions of the TAFE Act evinced an intention on the part of Parliament for matters to be within the Minister's domain and not that of the Industrial Commission of South Australia. That deliberation was expressed by a majority of judges, and then raised the question that employees appointed under the Act may not be entitled to the recourse of the Industrial and Employee Relations Act. The Opposition believes that that has caused some difficulties, and we are happy to support the—

The PRESIDENT: Order! There are at least four private conversations going on at the same time, while the Leader of the Opposition is trying to address the Bill. Will members please keep their private conversations low, or out in the lobby.

The Hon. CAROLYN PICKLES: We are happy to support the second reading and, as I indicated, will be moving a minor amendment.

The Hon. R.I. LUCAS (Treasurer): I thank the Leader of the Opposition for her indication of support for the Bill. It will not surprise her that, as I understand it, my advice will be to oppose her amendment, for powerful and cogent

reasons, which I am sure I will understand by the time we get to the Committee stage. As the Hon. Mr Elliott is unable to be with us for this part of the debate, we probably will delay the Committee stage of the Bill until tomorrow. I understand that there is only one substantive issue of difference between the Government and the Opposition and, as always, we will be relying on the wisdom of the Australian Democrats to guide us through the Committee stage of the debate. I will need to speak nicely to the honourable Leader of the Democrats who, together with his colleagues, collectively will Caucus and vote on this issue before the Committee stage of the debate. I thank the Leader for her indication of general support for the Bill.

Bill read a second time.

CHILDREN'S SERVICES (CHILD CARE) AMENDMENT BILL

In Committee.

Clauses 1 to 4 passed.

Clause 5.

The Hon. CAROLYN PICKLES: I move:

Page 2, after line 22—Insert:

(2ba) An exemption granted under subsection (2b) will apply only in relation to—

(a) if the exemption is granted under subsection (2b)(a)—children of the family specified in the exemption; or

(b) if the exemption is granted under subsection (2b)(b)—the children in the care of the care provider at the time the exemption is granted; or

(c) if the exemption is granted under subsection (2b)(c)—the children in the care of the care provider immediately prior to the commencement of that subsection.

This amendment seeks to qualify the application of the exemption that in certain situations allows the number of children in care to be increased from seven to eight. For example, the amendment seeks to have the exemption apply only to the particular child, not to the child-care establishment. This means that when child No. 8 departs a child-care provider, the exemption no longer applies and the centre operates under the regular legislation; that is, the exemption is attached to the child and not to the family day care provider.

The Hon. R.I. LUCAS: The Government is prepared to support the amendment. The Government believes that probably on balance the amendment is not necessary but, nevertheless, in a spirit of reasonableness has indicated its willingness to support it on the basis that it broadly fits within the intention of the administrative arrangements in place at the moment for these sorts of circumstances.

The Hon. SANDRA KANCK: The Democrats also support the amendment. It will not create any problems for us, so we will support it.

Amendment carried; clause as amended passed.

Clause 6 and title passed.

Bill read a third time and passed.

BARLEY MARKETING (APPLICATION OF PARTS 4 AND 5) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 March. Page 568.)

The Hon. P. HOLLOWAY: The Opposition supports the second reading of this Bill. It seeks to extend Parts 4 and 5 of the Barley Marketing Act, which gives legislative authority to the Australian Barley Board which, in turn, controls the joint scheme for marketing barley in South Australia and Victoria. Barley is a very important industry for this State and for the nation: 60 per cent of the national barley crop is produced in South Australia and Victoria. In the 10 years leading up to 1996-97, South Australia exported on average 3.7 million tonnes of grain, with barley contributing 35 per cent of this value. The Australian Barley Board is vital to the process, accounting for some 56 per cent of barley exports from Australia, with 20 per cent of the Australian Barley Board sales being on the domestic market. That is for South Australian and Victoria: if we look at this State by itself, barley is South Australia's third most important agricultural industry after wheat and wool and had a value of around $300 million per year in 1995-96.

South Australia produces about 40 per cent of the total Australian production. One-third of the State's barley crop is sold as malting barley, the rest being sold as feed barley, with 70 to 80 per cent exported. The turnover of maltsters in South Australia was around $70 million in 1995-96.

The history of the Australian Barley Board is that it was formed under the defence powers during the Second World War, and it proceeded from 1947 as a joint scheme between South Australia and Victoria, with both Governments legislating to give authority to the Australian Barley Board and setting up a scheme whereby the ABB controls the barley market through a compulsory delivery requirement, the so-called single desk power, which we see in a number of rural statutory marketing authorities. The Barley Market Act is currently being reviewed as part of competition policy. The Barley Marketing Act is a joint arrangement between Victoria and South Australia and has been reviewed periodically—about every five years—since it was set up in 1947. So, the powers under the current Act, which was passed in 1993, were due to be reviewed by 1998. However, because of the requirements of national competition policy, this periodic review of the Barley Act which is being conducted every five years has grown to the extent where it is reviewed to see whether the Act conforms with national competition policy.

The first stage of the review, which has already been completed, was based on the general competition principle that legislation should not restrict competition unless it can be demonstrated that the benefits of restriction to the community as a whole outweigh the costs and that the objectives of the legislation can only be achieved by restricting competition. That is what the national competition guidelines set down for reviews under the Act.

The decision was taken by the Victorian and South Australian Governments to outsource the first stage of their review into the barley marketing industry to consultants at the Centre for International Economics (CIE), and it took an arm's length review. The CIE is a notoriously dry institution, and I am aware that many growers were somewhat disappointed by the choice of the CIE. I believe that, when the report came out, it validated the concerns of those growers about the choice of consultant to undertake this report.

The Hon. Ian Gilfillan interjecting:

The Hon. P. HOLLOWAY: That it was a notoriously dry organisation, and I am saying that when the—

The Hon. Ian Gilfillan interjecting:

The Hon. P. HOLLOWAY: Yes. But when the report came down the growers were, I believe, vindicated in their suspicion that the CIE was not the best body to conduct this review. I am concerned that the South Australian Government has been in this instance, as in a number of other cases, adopting a very compliant attitude towards the NCC and the

guidelines that it is setting up. This arm's length process for reviewing the Australian Barley Board is said in many circles to be a model for future reviews. I disagree with that.

What has complicated the whole issue is that, since this review came out and since this Bill has been put before the Parliament to extend by 12 months the period under which the current arrangements continue so that the review process can be completed, we had a recent announcement, on 17 March, from the Victorian Minister for Agriculture, Pat McNamara, that a private company would be established to replace the Australian Barley Board in September of this year. So, I suppose we all have to wonder at the reason for us having this Bill: it is supposedly to enable Stage 2 of the review process under NCP to continue into the Australian Barley Board.

However, given some of the announcements that have been made, that the domestic market would be deregulated and that the Australian Barley Board would be privatised, in effect, one wonders exactly what this second review will do and what will be the purpose of it. I would like the Minister to address that in his second reading explanation. It seems to me, from what has been released in the press recently, that all of the major decisions in relation to the future of the Australian Barley Board have already been made, and I wonder at the reasons behind continuing this process.

It is true to say that the South Australian and the Victorian Farmers Federation appear to be happy with the announcement that the Australian Barley Board is to be privatised. However, some other sections of the rural community do not seem to be as sure. For example, the New South Wales Farmers Federation has expressed fears that the Victorian and South Australian Governments may not have addressed the issues with sufficient rigour and they question the accuracy of the econometric models which have been used by the CIE to establish lack of public benefit for the current Barley Board arrangements.

In fact, the New South Wales Farmers Federation is pushing to preserve the statutory marketing arrangements. So, I believe we can ask: is it the case then that the South Australian Government has not fully investigated the consequences of privatising the Australian Barley Board? It certainly appears to me that the Victorian Government appears to have done all the running and making all the announcements, while the South Australian Minister has remained silent. Are we being dictated to by Victoria or the National Competition Council, and are we simply going to create a private monopoly by privatising the Australian Barley Board?

In relation to this whole process of assessing statutory marketing boards to see if they comply with the national competition policy, I believe we would be well served to look at the example given by the New South Wales Government, which is resisting the attempts by the ACCC and the NCC to force them to follow strict economic guidelines. The New South Wales Government has decided that rural industries being reviewed are more important than just the dollars and cents approach in which this particular review seems to be interested. Great pressure was placed on the New South Wales Government, for example, by the NCC in relation to the rice industry. The rice industry, like the barley industry, is largely an export industry and it is served by a single desk.

When a review was conducted and it was rejected by the New South Wales Labor Government a lot of pressure was placed on that Government by the NCC and, indeed, I believe it was threatened that New South Wales would lose $10 million in competition payments unless New South Wales fell into line with the NCC. The New South Wales Government did not accept that. It had the support, incidentally, of the Coalition to reject that and, as a result, the NCC backed off and did not pursue it. Perhaps it is a pity that we did not adopt a similar approach here with the Australian Barley Board.

This review will be important because it is the forerunner of a number of reviews which will take place with rural statutory bodies. I believe that we run the risk of setting a dangerous precedent in the way in which this review has been conducted. Not only has this review been considered as something of a dummy run for the Australian Wheat Board, which will perhaps be an even more significant review as far as the future of this State's rural industries is concerned, and I would suspect that the wheat industry would be somewhat concerned at the method by which this review has been conducted so far, but there are other reviews to come.

I would like to read from the report into compliance with national competition policy to indicate some of the other industries which will be subject to review over the coming few years. These are some of the State Acts which have to be reviewed, and under many of these Acts we have rural bodies associated with them, statutory bodies associated with them. There is the Agricultural and Veterinary Chemicals Act; the Agricultural Chemicals Act; the Agricultural Holdings Act; the Animal and Plant Control Act; the Apiaries Act; the Barley Marketing Act—which, of course, is currently being undertaken; the Biological Control Act, the Branding of Pigs Act; the Brands Act; the Bulk Handling of Grain Act; the Cattle Compensation Act; the Citrus Industry Act; the Dairy Industry Act; the Dairy Industry Assistance Act (Special Provisions) Act; the Deer Keepers Act; the Dried Fruits Act; the Fisheries (Southern Zone Rock Lobster Fishery Rationalisation) Act; Fisheries Act; Foot and Mouth Disease Eradication Fund Act; Fruit and Plant Protection Act; Fruit and Vegetables (Grading) Act; Garden Produce (Regulation of Delivery) Act; Impounding Act; Margarine Act; Marginal Dairy Farms (Agreement) Act; Meat Hygiene Act; Noxious Insects Act; Phylloxera and Grape Industry Act; Poultry Meat Industry Act; Rural Industry Adjustment (Ratification of Agreement) Act; Rural Industry Adjustment and Development Act; Rural Industry Assistance Act; Seeds Act; Soil Conservation and Land Care Act; South Eastern Water Conservation and Drainage Act; Stock Act; Stock Foods Act; Stock Medicines Act; Swine Compensation Act; Veterinary Surgeons Act; Wheat Marketing Act; and the Wine Grapes Industry Act.

A large number of reviews have to take place and, in a number of cases, that review will involve an investigation of the existence or otherwise of various statutory boards. It is important that we get our procedures right.

In relation to barley, the Centre for International Economics concluded that there were no net benefits to the Australian community from the Australian Barley Board's use of market power in the domestic market and that restricting competition imposed significant costs on the wider Australian community. On the basis of that report, the Victorian Government announced the privatisation of the Barley Board and the deregulation of domestic barley markets over the next two years. It has been argued, and I think with some justification, that the CIE model was reliant on limited assumptions and that its accuracy was questionable. The very future of the Australian Barley Board has been decided on the basis of what I believe is a rather flawed economic model.

The second stage of the review will apparently go ahead, but as yet no terms of reference have been drafted and I would be interested to see exactly what this second stage of the review will achieve. I would welcome an announcement from the Primary Industries Minister that spelt out in clear terms just how much involvement this State Government had in the decisions that appear to have been made recently over the future of the barley industry in South Australia and Victoria. Judging by the silence so far, one suspects that involvement was not great.

I ask the Minister, on behalf of his colleague, to answer some of the questions about this whole process. First, what is happening with the Barley Board review? What decisions have been taken? The Victorian Minister announced that the board would be privatised from September this year and that the domestic market would be deregulated: is that to happen? How much was the Centre for International Economics paid for its report and what was the response of the National Competition Council to this report?

The Hon. T.G. Roberts: Centre for International Economics?

The Hon. P. HOLLOWAY: Yes, it is based in Sydney and Melbourne. What is the timetable for the second stage of the review? Has the Victorian Government passed similar amendments to those that are now before us? Has the Victorian Government placed any conditions on the conduct of the second stage review? They are just a few of the questions that I have about this process, and I would like them to be answered.

In conclusion, I should like to say that it is vital that all future reviews that involve statutory marketing boards and, indeed, in areas other than rural industries, should more closely involve representatives of the industry. I do not believe it is good enough to have these reviews conducted by consultants, particularly Sydney based consultants, who may have their own agenda.

The process that the New South Wales Government has undertaken in relation to the review of these boards is to have them reviewed internally and to ensure that industry representatives are involved in all the reviews. As a result, I think that the rural producers of New South Wales will be much better protected from any changes under national competition policy than our growers in this State will be if they are reliant on economically dry consultants in Sydney and Canberra who do these sorts of reviews. The Labor Party will seek to achieve that in future, and the Deputy Leader of the Opposition (Annette Hurley) in another place has moved a motion in that House to achieve such a result. I do not believe that we have to blindly follow the NCC in all these issues.

I hope that, on behalf of the Minister in another place, the Minister will be able to clarify the situation in relation to the Australian Barley Board and explain to us exactly what decisions have or have not been made and exactly what will be undertaken in the remaining process of the review. I support the second reading of the Bill.

The Hon. IAN GILFILLAN: The Democrats support the Bill. In itself, it is a relatively minor matter and, as I interpret the Bill, it is purely the extension of the current legislation for virtually another 12 months. Without prejudging or pre-empting what may come down from the review of the Centre for International Economics (CIE), we do not feel particularly concerned that this procedure is being followed.

I pay tribute to the Hon. Paul Holloway for having so much incredibly interesting and detailed data at his fingertips. It is impressive to have someone share with other members in this Chamber such an in-depth knowledge of an industry, and I did not know that he had such expertise. It adds a wealth and depth to the extent of the debate and it draws the subject matter well beyond the superficial significance of the Bill, and that is appropriate, because it is very wise for us to be drawn into anticipating what could be possible scenarios if we are to be asked to make dramatic changes to the Barley Marketing Act as a result of a particular report.

I should like to think that we have learnt from the tariff debate, when gung-ho ideologues, who could not see the detail for their own conviction that they were right, eventually after listening to people and some cogent argument back-pedalled to modify the dramatic impacts that would have been felt on the Australian economy and work force had the rapid descent into obliteration of tariff protection gone ahead in its original form.

With that as a precedent I am confident that it is not too late for us to learn before we get dragooned into dumping regulated marketing in the rural sector, which is an area where I have had personal involvement over the years in barley marketing, oats marketing and wool. I have noted the damage that can be done when coordinated and cooperative marketing disappears and product is exposed to the ravages of total exploitative marketing, both domestically and on the world scene.

It is quite pointless to argue that barley producers and, in South Australia's case, oat producers will be better off if there is open slather deregulated marketing of the product because each one of the growers is, to use an analogy, a sitting bunny. It is absolutely essential—and, as an industry, in the past we have recognised the fact—that we have a coordinated, unified and disciplined marketing structure. Barley is no exception. We produce and can continue to produce the best barley in the world. South Australia has a world reputation for the quality of its malting barley and the volume that it grows. It is a premier State for growing barley. I believe that we should treat this issue with the utmost seriousness and not just view this Bill as purely a *pro forma* extension of time in terms of waiting for the inevitable. I was more than passingly interested to hear the Hon. Paul Holloway indicate—if I heard him correctly—that he believes he knows the decisions that will be made. I am not sure whether that implied he was anticipating the results of the CIE report or the decision that is likely to be made by the Government. I would be very interested to know, whether by way of interjection—

The Hon. P. Holloway: The Victorian Minister said that he would privatise the Barley Board on 30 September this year and deregulate the local domestic market.

The Hon. IAN GILFILLAN: In other words, that situation would represent almost a cutting adrift from the current structure of the Victorian-South Australian nexus. It sounds to me as though they are prepared to go alone. It does not surprise me, because I do think that the Victorian regime is intoxicated with an obsession for deregulation and privatisation without really reckoning the cost. In this case, Victoria is definitely the secondary partner in the barley producing industry. The industry itself—and I would be very interested to have ongoing discussions with the South Australian Farmers Federation—wants to see marketing structures which are always open to criticism, suggestions and proposals for improving efficiency.

I am not close enough to the situation to know whether that fearful word 'privatised' should apply to those aspects

of the marketing which could be put out to tender, but if 'privatised' means that the whole field of barley marketing is thrown open to uncontrolled, open-slather private enterprise with there being no regulation obliging the producers to market through one channel, I consider that to be a recipe for disaster. The eventual result will be that farmers will compete with each other, the price will go down and the barley producers will be considerably worse off.

We will keep a close watch on what seem to be trends in Government thinking, and what may be likely legislation that comes from the CIE report or from any other avenue. We hope to continue to have a constructive dialogue with all interested parties. As far as this Bill is concerned, I indicate that the Democrats see no problem with it and that we will support it.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

NATIONAL WINE CENTRE (LAND OF CENTRE) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 596.)

The Hon. L.H. DAVIS: I support the second reading. This Bill makes amendments to the National Wine Centre Act which was proclaimed little more than seven or eight months ago. The amendments to the Act are made necessary because of a revision to the plan for the National Wine Centre and also because of the incorporation of an international rose garden in the site best known as the Hackney precinct. The Bill then reflects the change in site for the National Wine Centre, which moves from an area which was in the vicinity of the Goodman Building and the Bicentennial Conservatory to an area which is to the south-east of that site and which covers some of the area that now houses the Botanic Gardens administration and the existing State Herbarium; in other words, it is facing out to the North Terrace-Hackney Road intersection.

In addition, with the demolition of the existing Botanic Gardens administrative headquarters, there are plans to relocate the head office staff in the Goodman Building, and the State Herbarium is to be located in Tram Barn A. The international rose garden is proposed to be sited between Hackney Road and the Bicentennial Conservatory.

There has been widespread endorsement of those revised plans, and it is pleasing to see that the Opposition Parties have supported this proposal. Certainly, some misgivings were enunciated earlier by the Hon. Ian Gilfillan, because he believes anything associated with the Adelaide parklands is pristine. I think he did fail to declare his interest in that he is President of the Parklands Preservation Society, which is a serious oversight on his part. I may be doing him a disservice, but I did not hear the declaration of interest.

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: The Hon. Paul Holloway has still not learnt, and he unwisely interjects. There has been continuing controversy over the Goodman Building and Tram Barn A. Of course, the Labor Government, which did not do anything much apart from lose $3.15 billion lazy dollars in the State Bank and a whole range of other things which we will not bother to explore tonight, was faced with the dilemma of what to do with Tram Barn A and blinked and turned away. For the honourable member's interest, edification and education, the fact is that both Tram Barn A and the Goodman Building are not only on the State heritage register but they are also on the national heritage register. If they were to be removed from the site you would need the concurrence of the relevant State and Federal authorities. That would take an enormous amount of time and expense. It would result in an extraordinary delay in the project.

I have to say that, like many others, Tram Barn A is not my favourite building in Adelaide. It is a very tired building. There have been significant supporters of Tram Barn A, not the least of which is the National Trust in this State. The proposal is to clean it up, and one can see that some of the appendages hanging off that building can be removed and the structure improved. But the major shift in focus—and I think a very good move indeed—is to relocate the National Wine Centre away from the Goodman Building, Tram Barn A and the Bicentennial Conservatory. Notwithstanding the fact that we have an internationally rated architect, Phillip Cox of Sydney, who is working with the well respected local architect Steve Grieve on the planning for the National Wine Centre, challenging them to design a centre which would overcome the radically differing structures of the Goodman Building, Tram Barn A and the Bicentennial Conservatory would leave even Richie Benaud breathless; it would be too big an ask.

The other point to be borne in mind is that this extended site which now takes in the south-east area and which was not envisaged in the original Bill passed last year extends the area under the control of the Botanic Gardens, in conjunction with the National Wine Centre, to over seven hectares, some 17½ acres.

Immediately in front of the Bicentennial Conservatory, it is planned to plant a five acre, or two hectare, rose garden. That will obviously not be planted just on flat land but will be given topography variation in site features to make it attractive. Obviously the landscaping of this garden, if it is to be of international quality, is most important, and a lot of attention will be given to detail.

It will also mean perhaps softening the features of the tram barn and the Goodman Building by roses planted around those two buildings. It is intended that vines will be planted on the site immediately to the south of the Goodman Building and between the National Wine Centre. An area is also available immediately to the north-west of the proposed wine centre which could, in time, be available for additional plantings, and that takes in the area known as the 'Sunken Garden', which has some pleasant variations in its topography. Altogether, it is an enhanced and very exciting project. I must declare an interest, in a non-financial sense, in that, as members know, I have, for the past five years, been an advocate of a national rose garden in Adelaide.

The Premier last year, following my return from the Portland Rose Festival and an inspection of the Portland Rose Garden, readily agreed to the merit of the idea and, in fact, incorporated in his election campaign an announcement about an international rose garden and an international rose festival from the year 2000. I will refer to that in due course and put to rest some of the mischief made in the other place by the Leader of the Opposition on that point.

The Hon. T.G. Roberts: Will you get a plug?

The Hon. L.H. DAVIS: I am not in the business of getting plugs; I leave that to people on the honourable member's side.

I make the observation that there is a delightful symmetry about this proposal for a National Wine Centre and an

international rose garden sharing a common site, for South Australia is an undoubted national leader in both wine and roses. Indeed, it has achieved recognition on an international scale for both wine and roses. At least 50 per cent of Australia's wine is produced in South Australia, and that means that roughly 475 000 tonnes of the proposed 950 000 tonne record vintage forecast for 1998 will come from this State. About 65 per cent of the nation's wine exports come from South Australia.

South Australia's Mediterranean climate makes it one of the world's great places to grow roses and, increasingly, wineries are planting rose gardens and/or planting roses at the end of each of their rows. and that is a particular feature in the Coonawarra district.

The second reading explanation notes that this enhanced and revised plan has come about following intensive discussion with the wine industry, the National Rose Society and the Adelaide City Council. There is no question that there has been endorsement of this by the Botanic Garden Board and all other parties concerned.

It is quite clear that the addition of the rose garden does add lustre to the project and it also takes away controversy from the project which did exist when the Hackney precinct was originally selected as the location for the National Wine Centre. As I previously expressed on more than one occasion in this Council, one of my great sadnesses was that, in the early days of the Bannon Government, there was a total abrogation of responsibility which meant the selling off of the fabled and historic Grange vineyards. Admittedly they were not owned by the Government: they were owned by the Adelaide Steamship Company, which then was the owner of Penfold's wines.

As some members would know, the Grange vineyards, located just 6½ kilometres immediately east of the city has one of the most magnificent views of Adelaide, just 15 minutes drive from Adelaide, and would have been a perfect location for a National Wine Museum. However, the forces of darkness and the ignorance which has been all too common in heritage matters in this fair State and city over the past two or three decades prevailed. As a result, broadacre vineyards were sold off to become housing which, I think, the Civic Trust, at the time, rightly branded as very ordinary. If one visits the area one can see what did exist and the potential that was lost.

Nevertheless, the existing owners, Southcorp, should be commended for its restoration project, which has won architectural awards, and the new restaurant and refurbishment program, which has taken place with those heritage buildings together with the remaining vineyards, at least, does bring some memories flooding back to those who have a fondness for the history of this State.

The Hon. T.G. Roberts: We could have had an operating winery there.

The Hon. L.H. DAVIS: Indeed, there could have been an operating winery. In fact, going back a century or more, I think it was true that two-thirds of the wine of South Australia was stored at that site. That was where the original Grange was made and that was where Grange Hermitage, Australia's Premier international wine of the world in 1996, I think, was originally produced, and, of course, it is named after that vineyard. I accept that site had passed us by.

Auldana Cellars, at Magill Estate, which is adjacent to the Grange vineyards, had also been suggested as an option. The Torrens Parade Ground had been floated as an option. The Hon. Mike Rann, frothing at the mouth with excitement, became very indignant about the fact that the Government had made an inquiry about that of the Defence Minister (Hon. Ian McLachlan) some time in the first half of 1997. The Government, with Premier John Olsen, was entitled to investigate all options for the wine centre, and there would be many people who would have seen the Torrens Parade Ground as an under-utilised asset which may well have been a wonderful place, not only for a rose garden but also for a wine centre. That was an option. It is very disturbing, but not surprising to me, to see the Hon. Mike Rann playing politics at the micro level which we have come to know and understand so well. However, it was a reasonable option to explore.

As the Hon. Paul Holloway knows, some difficulty has arisen with the acceptance of the Hackney site. The Hon. Paul Holloway raised it by way of interjection earlier this evening. When one is spending tens of millions of dollars, it is important to ensure all options are explored and we make the best decision at the time. Obviously, the hurdle that we had to jump for the Torrens Parade Ground was a very high one indeed. First, we had to take possession of the land from the Federal Government. Also there were very real and deep objections from people who saw the importance of that as a memorial and a lasting tribute to the people involved in the defence forces of the nation and also those who wondered perhaps whether that was necessarily the best site.

One should recognise that this Government was paying more than lip service to the Adelaide 21 report, which has been the best breath of fresh air that this State and this city has had for many a year. As I have observed on more than one occasion, that is a great challenge for this Government, and particularly the Adelaide City Council, or whatever form it might take after the corporate governance review has been completed and the politics of that played out. I hope that the politics will be better than it was in the last parliamentary session when the Opposition forces in this Parliament combined to make one of the most regressive decisions that I have seen in my time in Parliament, namely, for pure political expediency, turn back the opportunity to freeze or put a brake on the council with its nineteenth century structure and to do what Sydney, Melbourne and Perth have all done, that is, close it down, put some commissioners in charge, rejig the structure, create a modern business type board, review the administration, put some goals and priorities in position and then—

The Hon. Carmel Zollo: That doesn't sound very democratic.

The Hon. L.H. DAVIS: —reposition Adelaide and refocus on the priorities which have been set down so brilliantly in the Adelaide 21 project. The Hon. Carmel Zollo also unwisely interjects and says, 'It does not sound very democratic.' Clearly I will not savage the honourable member too much because she is a newcomer, but quite clearly—and I am not being patronising, I am just being factual; she has been in this Chamber for only three months, and that is fair enough—the fact is that the Adelaide 21 recommendation was made as a result of extensive community consultation with hundreds of people. Adelaide was consulted to death. There was communication, which I would have thought paid more than lip service to democracy for the Hon. Carmel Zollo to be more than satisfied.

The sadness is that the honourable member does not understand that Sydney, Melbourne and Perth, which are our capital city competitors in a marketplace in which we are increasingly competing against them for new businesses and investment opportunities, have all done this and they are

much better placed in terms of their economic strength, particularly after the savaging that Adelaide received at the hands of a Labor Party Government in the late 1980s and early 1990s. All those councils have been revamped to be boards of six to nine members with top people leading them, with a streamlined administration and with a focus on working with State Governments instead of against them. The benefits are already obvious. I refer, for example, to the program that Perth has put in place between the council and the Government and the benefits that have been gained by both Melbourne and Sydney.

I suggest that the Hon. Carmel Zollo use her travel allowance, spend it well, visit those three cities and then come back and make a speech about how right I am. I have been diverted unwisely—

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: I want to say that the Adelaide 21 recommendations place special emphasis on the importance of developing clusters of activities and events, recognising the importance of aggregating cultural institutions to add lustre and momentum to tourism in the city of Adelaide. When members look at the North Terrace precinct, which stands out as arguably the most unique cultural boulevard in the nation, they will understand what this is about. Along North Terrace (running from east to west) we have Ayers House, the University of Adelaide, the Art Gallery, the Museum, the Library, the Bradman collection and, in Kintore Avenue, the Migration Museum. There is Government House, Parliament House, which some may describe as more than a cultural institution, and so on, running through to the Jam Factory. At the far end of North Terrace to the east we have the continuation of that wonderful array of institutions which are so delightful not only for domestic tourists but also for national and international visitors, and I refer to the Botanic Gardens and the Bicentennial Conservatory.

The great advantage of this project is that it wraps up the Botanic Gardens, the Adelaide Zoological Gardens and the Bicentennial Conservatory with the proposed Adelaide international rose garden and the new National Wine Centre, together with Botanic Park, which is very much an underrated adornment to Adelaide. And then nearby we have the East End with the wonderful food and leisure options that are available. One can foresee that second cluster developing around the National Wine Centre and the international rose garden, perhaps with a multi-ticket option for visitors, will be a second string to our cultural and entertainment bow in the city of Adelaide. It will add weight to the options for tourism, and obviously it will be a terrific feather in Adelaide's cap.

The Hon. T.G. Roberts: You have been in government for five years and all you've done is introduce two Bills.

The Hon. L.H. DAVIS: I think that is grossly unfair. The Hon. Terry Roberts, sitting quietly on the front bench, as he has done for most of his life, says 'You have done nothing for five years.' Obviously by the time we have climbed out of the slurry and the mess that was left by the previous Government, a bit of time has elapsed and there have not been a lot of dollars to go around. It is a bit like having a bonfire with $10 notes and then wondering how you will buy your next meal.

The Hon. T.G. Roberts: Why does the Government have to build everything? Why doesn't the private sector do something?

The Hon. L.H. DAVIS: We are getting a bit of left-wing philosophy now.

Members interjecting:

The Hon. L.H. DAVIS: Well, it's new left-wing philosophy. I know the Labor Party is desperate to divert me, but I will not be diverted.

The Hon. T. Crothers interjecting:

The Hon. L.H. DAVIS: You are too kind, Trevor. I will touch briefly on the rose garden.

The Hon. T.G. Roberts: You'll have to take your gloves off.

The Hon. L.H. DAVIS: There might perhaps be a Labor bed of roses, and that will be the particularly thorny variety. As I mentioned, in early October the Premier, John Olsen, announced the Government would begin immediate discussions to find a suitable city location for Australia's first International Rose Garden and it was looking to plant 1 500 to 2 000 rose bushes per acre over a minimum of five acres. At the time he said that sites which had already been suggested included land near the Old Adelaide Gaol and parklands, near the proposed site of the National Wine Centre. He went on to say:

> The State's wine industry will also be asked to promote the rose theme by planting a rose at the end of each row of vines.

As some members would know, roses have a practical application in vineyards because they provide an early warning of mildew.

The Premier went on to say that he would also ensure that Adelaide would host an International Rose Festival each spring from the year 2000. He said that the festival would be a unique major tourism attraction, that it could not be stolen by us from another State because no other State, in fact, arguably no other location, in the southern hemisphere could grow roses better than South Australia. We know from the research done by Portland Oregon that thousands of rose followers travel the world to admire the flowers. He said:

> We have the roses and we are the best so we can boost our economy and promote South Australia with such a festival and an International Rose Garden.

The Premier concluded that it was anticipated that the first festival would fit into the calendar between the Sydney Olympics, which are planned for September 2000, and the Spring Racing Carnival in Melbourne. This would mean that Adelaide could reasonably expect to capture quite a few of the tourists who come to Australia in that exciting year. The festival was to be backed by State Development and Australia Major Events and would be funded by naming rights corporate sponsorship.

[Sitting suspended from 9 to 9.27 p.m.]

The Hon. L.H. DAVIS: I cannot quite remember where I was at the time my speech was extinguished.

The Hon. A.J. Redford: All that time and that is the best you could come up with!

The Hon. L.H. DAVIS: No, I have been diverted by other matters: I have been looking at fire engines and thinking of red roses and wondering why my speech was quite that hot. But I was talking about what had happened in Adelaide in the city itself. The council should be congratulated on its initiative, over a period of time, in planting more than 15 000 roses of more than 400 varieties in and around Adelaide. A new heritage rose garden was recently planted on the north bank of the River Torrens between the Albert Bridge (adjacent to the zoo) and the university footbridge, and there are other plantings in Wellington Square and Rymill Park. A very significant development in recent years has been the first

rose trial garden in Australia, which was established immediately adjacent to the Bicentennial Conservatory on Hackney Road. That will be incorporated into the proposed international rose garden.

The rose festival, which is planned for the year 2000, will include a rose show, an evening parade of floral floats, garden displays and music, food and wine and, hopefully, a flower day, which will include displays in city parks and streets. The timing for the proposed National Wine Centre and rose garden is as follows. The Government would expect to complete the restoration of Goodman Building, which will house the Botanic Gardens administration headquarters (and will also have some other uses, one would imagine), and tram barn A some time in April 1999. It is planned to move the Botanic Gardens headquarters into the building after that. Then, of course, the State Herbarium, which houses 800 000 individual plant specimens, will need to be rehoused in the tram barn A site. That will obviously be a delicate operation, which will require a lot of organisation.

The construction of the National Wine Centre is intended to commence in April 1999 and be completed in June 2000. With the rose garden, the plan is that there will be a clearing of the site later this year and planting will get under way next year, and at least some of those roses will be in bloom for the year 2000 festival.

The Government, in view of that extended program and additional moneys required, is making application for a further $14 million from the Federation Fund. It is my understanding that a decision on Federation funding should be forthcoming in the next two or three months, hopefully in conjunction with the Federal budget. The proposal is that the National Wine Centre and the Botanic Gardens Board will develop the site. Obviously, there are linkages between people with an interest in the development of the rose garden, the wine centre and the Botanic Gardens Board, which will have overall management of the rose garden once it is up and running.

The State's contribution of $20 million has already been accounted for in the 1997 budget and, irrespective of whether that extra $14 million is forthcoming from the Federal Government, the Government is committed to this exciting redevelopment of the Hackney precinct, namely, the new National Wine Centre, the development of the Goodman Building as headquarters for the Botanic Gardens administrative staff, the development of Tram Barn A for the State Herbarium and the planting of the International Rose Garden, together with the landscaping associated with it.

The Premier asked me to chair a committee to examine the options for a site for the rose garden, and the committee, which comprised rosarians with expertise in that area, was unanimous in the choice of that location, having looked at the other options available to us.

The rose industry is excited about the potential for the rose garden. There will be enormous generosity and goodwill on its part in providing rootstock and other support, and also in providing advice for the project and, also, I should say, for the wine industry. It is interesting to note that South Australia, as I said earlier, accounts for 60 per cent to 65 per cent of rose production in Australia. As about 5.5 million rose bushes are produced annually in Australia, the wholesale value of these plants to South Australia is about $13 million or $14 million a year. In cut flower production we produce about 30 per cent of Australia's needs, and this will increase to 40 per cent or more when the Virginia pipeline and Adelaide Airport runway extension are completed. The Virginia pipeline project, which is the biggest recycling project of its type in Australia, is an exciting initiative of this Government.

The estimated value of cut flowers to South Australia is currently in excess of $3 million. In terms of the linkages with the wine industry, obviously the phrase 'wine and roses' has been used for a long time. Over recent years grape-growers have certainly realised the value of roses planted in close proximity to vineyards as an early warning for the fungal problem of mildew. As I have already mentioned, many of the wine producing areas have gone that one step further with the planting of roses along boundary fences adjoining main highways. Indeed, the Premier will be encouraging all wineries to do that in a program over coming months. The planting of appropriate cultivars of roses recommended by leading rosarians on both sides of the highway through the Coonawarra wine growing area is a terrific example of what wine and roses together can do, and that has become a valuable attraction for tourists when the roses are in bloom.

The Rose Society, together with the Rose Festival organisation, believes that additional plantings in all wine-producing areas will be of benefit to both the industry and tourism in general, and the leading rosarians in South Australia are more than happy to advise on suitable cultivars to be grown in various areas. It is pleasing to see that a program such as this has had the spin-off of bringing those two great industries closer together.

When the Premier announced the amendments to the Wine Centre on Friday 30 June, he announced that the International Rose Garden will have around 10 000 rose bushes. As I said, it will be integrated and landscaped into that area immediately in front of the Bicentennial Conservatory. The Premier said that the National Wine Centre would aim to be a world-class facility, which will promote the international status of Australian wine, and it will become the central headquarters for the Australian national wine industry. The industry itself has committed $5 million in planting equipment, maintenance of vineyards, memorabilia and cash. The Government has already committed $20 million and, if it receives the additional $14 million from the Federation Fund, that will allow for a significant scaling up of the project.

The Adelaide Lord Mayor, Jane Lomax-Smith, has welcomed the development. I believe that there are other valuable spin-offs, because there can be educational uses in relation to the rose garden and the vineyard for people training in those two industries, as well as providing great enjoyment and pleasure for its many visitors. The well respected President of the Winemakers' Federation of Australia, Brian Croser, in welcoming the announcement of the National Wine Centre, said that he believes that it will be unique in the world. He makes the point that it is anticipated that the centre will house all of the national wine industry bodies, including the Winemakers' Federation of Australia, the Australian Wine and Brandy Corporation, the Grape and Wine Research and Development Corporation and the South Australian Wine and Brandy Association.

Brian Croser was very supportive of the North Terrace location of the centre and its integration into what will be the compatible and complementary development of the Hackney tram depot site as a botanic site. Mr Croser also noted that he applauded its integration with the food and wine precinct of Adelaide—that is, the adjacent East End cafe strip—and also Botanic Park, which is increasingly being used as a vehicle for festivals. Tasting Australia, which was such a splendid

success in October, obviously can be themed and developed around the proposed wine centre and rose garden.

I was appalled at the cheap, juvenile and distorted remarks in another place by the Hon. Mike Rann, Leader of the Opposition. In his laboured two hour speech—which coincided, I am told, with the Billy Joel-Elton John concert, which says something about his juvenile approach to things—he attacked the Premier's statement of Friday 30 January 1998, to which I have just referred, and quoted the Premier (Hon. John Olsen) as saying that a national rose garden is to be incorporated in the National Wine Centre. He said:

> The rose garden was added to help to disguise the fact there had been a huge stuff up.

That was the Hon. Mike Rann, the Leader of members opposite. I can see why they are hanging their heads. It is an appalling comment, is it not? He said:

> This is a few months after the election campaign when it—

that is, the National Wine Centre—

> was all supposed to be going hunky-dory and proceeding apace, although we noticed that nothing was happening.

It is obvious that the Hon. Mike Rann was not even aware that during the election campaign the Government had committed itself to a rose garden, and in the press release of early October had flagged that one of the options for the rose garden was in the Botanic Gardens precinct. That was actually in the presses release. However, the Hon. Mike Rann, who wears the sobriquet 'beat up' as well as he wears the sobriquet 'fabricator', tried to claim that the rose garden had been injected into the project to make the National Wine Centre credible. I would have thought it was building on the project, adding to the project. As I said earlier, it was a cohesive attempt to develop that cluster of attractions, and wine and roses obviously go together as well as bacon and eggs.

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: The Hon. Paul Holloway puts a positive spin on things again. We have come to know and love that, Paul. It is good to see it. That was an extraordinary comment from the Hon. Mike Rann. He goes on to say:

> We were conned about the site, the funding, the design and the politics, and the whole possess.

It is just extraordinary stuff. He said that the Premier explained the new location by saying that 'we had to plant the roses, shift it over, and that it was a better position for tourism'. That is as if to say, 'Well, you know we're doing this again. We botched it.'

The fact is that the rose garden came into the project after we passed the first Bill with respect to the National Wine Centre. There was an addition, and the judgment was made by the Government that it should go with the wine centre. That is no different from a small business saying, 'We are going to develop this factory site,' having plans drafted and then revisiting the idea and saying, 'In addition to a factory site, we perhaps should have a loading facility and a research and development laboratory; let's incorporate them there' and everyone rejigging the plan. Of course, in Government you are not meant to have flexibility, and you are not meant to improve on a program because that might upset the Labor Party. They are negative attacks from the Hon. Mike Rann that are just typical, and we have come to understand that. The great sadness was that, when the Liberal Party made suggestions as far back as 1989 that there might be a spot of bother at the State Bank, what did Mike Rann do? He laughed.

The Hon. T. Crothers interjecting:

The Hon. L.H. DAVIS: That's right; he just laughed. He has come to wear the crown of thorns that goes with that laughter and naivety on his part.

Finally, I am delighted to see this proposal being supported by the Opposition, because it is such a logical and exciting project. It also, importantly, gives South Australia the opportunity to bring together the nursery industry which has sometimes been fragmented. It has put on the very worthy Gardens Alive festival, and one could imagine that Gardens Alive, Tasting Australia and Flower Day can all be incorporated in October with the International Rose Festival to make an extraordinary and prestigious festival which will develop a tradition and a momentum all of its own.

One of the things that stands out about roses is that people from many nations and people of many ages love roses and will go a long way to see them. The plan is to plant 1 500 to 2 000 rose bushes per acre and up to 10 000 bushes initially at the site adjacent to the Bicentennial Conservatory and, hopefully in time, that may be expanded by additions in the other land that is available not far from the proposed National Wine Centre.

The benefits of this project are obvious. Tourists will be able to have a multi-faceted experience in one location with wine, food, roses, gardens and the zoo. As I have explained, there is the possibility of linking events with Tasting Australia, the international equestrian event, the rose festival and Gardens Alive, and of attracting not only domestic but also interstate and international visitors.

It will also be important in providing educational opportunities and training for people in horticulture, viticulture and soil science. It will build and expand on the North Terrace arts and cultural precinct because I imagine that the rose garden will contain works of public art and will generate employment opportunities through the maintenance of the garden and indirectly through education, tourism and industry.

It will build our potential in primary production. Recently on television there was a very striking program about how Israel was exporting more Australian wild flowers around the world than Australia itself. Opportunities have gone begging in this State and in Australia generally for a long time, and this will create increased awareness and potential growth in horticultural exports. As I have mentioned, the development of the Virginia pipeline opens up very exciting possibilities, as my colleague the Hon. John Dawkins knows only too well.

The joining together of the National Wine Centre and the rose garden provides a saving and sharing in infrastructure costs which is very useful and it will also attract more people to that location. One can see other spin-offs such as conferences, conventions and seminars associated with the National Wine Centre and the rose garden. The Chelsea Flower Show which has built up a tradition over many years and the Portland Rose Festival which has been operating for well over 90 years are examples of how a tradition can be developed and how economic benefits can be achieved. The Canberra Floriade is a more local example of success in the horticultural area.

I am pleased to see the progress that has been made in this matter and I am pleased to note the amendments which will allow for this development to proceed. I should also have mentioned that one of the concerns with locations close to the city is the need for adequate parking, and I have been assured that at least 250 car parking spaces will be provided for the use of people visiting the National Wine Centre, the Inter-

national Rose Garden and the adjacent Botanic Gardens. I support the Bill.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

WORKERS REHABILITATION AND COMPENSATION (SELF MANAGED EMPLOYER SCHEME) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 19 March. Page 570.)

The Hon. NICK XENOPHON: In deference to those members who are clearly anxious to leave tonight, presumably so they can smell the roses, I will be brief in expressing my concerns as to this Bill and indicate that I support the amendments to be moved by the Opposition which relate to access to information of an employer's and injured worker's files, whether it be an exempt employer, a self-managed employer or through the existing system. I further indicate that I will move an amendment for a two year sunset provision.

I have paid careful attention to the report attached to the Bill. I understand the Government's motivation for this Bill under which employees are to be rewarded through better claims management and earlier return to work, with cost savings, and the report speaks in terms of other intangible benefits for employers and their work force. The intent behind the Bill is clearly laudable but the reality of the Workers Rehabilitation and Compensation Act is that, with its many amendments over the years, it has not lived up to the original intention of over a decade ago to be a world class rehabilitation and compensation scheme for injured workers in this State.

The Act has seen a steady erosion of benefits over the years under both Governments with the removal in 1992 of section 43(3), which relates to taking broadly into account the impact on an injured worker's life for a disability lump sum; with the total abolition of common law rights, again in 1992; with the two year review provisions enacted in 1995; and with the further substantial erosion of a worker's rights to lump sum disability payments through regulation 16(a). It is an Act that has become more of a mishmash than anything else.

There have been many amendments to this Act, which has become increasingly complex. It is not easy to administer with respect to conducting the day-to-day case management of an injured worker's file. I am sceptical that self-managed employers will be able to do a better job than can an experienced claims agent. I have an open mind in this regard, but I have a great degree of scepticism that it may not work in the long term. I hope it does, but I have grave reservations. I know from my experience over the years, acting for injured workers, that there has been a significant degree of disputation with WorkCover Corporation and, more recently, private claims agents as to the administration of an injured worker's file. I emphasise that many of these disputes do not relate to substantive issues of law or of fact, but I have often seen many clients who have sought legal advice only after they have been fed up as a result of not being able to deal with quite basic claims management issues on a day-to-day basis.

The case lists of the Workers Compensation Tribunal and, before it, the Workers Compensation Review Panel were littered with cases involving very basic issues, such as how to calculate a worker's overtime, how wages should be adjusted after a 12 month period, and the method of calculating lump sum disability payments. My concern is that the complexity and the nuances of the Act will be simply too much for many self-managed employers to manage, notwithstanding the criteria and safeguards in the legislation. I query whether it will work as it is intended to work.

I appreciate that, through the current pilot scheme of 20 employers, the corporation states it has been a success. I am not aware to what extent it has been a success in terms of satisfactory outcomes, not just for employers but for injured workers. Assuming it has been a success, I simply cannot see that the corporation will be able properly to administer on a day-to-day basis the micro matters attaching to a worker's case management if there are literally hundreds of self-managed employers. I have a real concern about that, which is why I will seek to insert a sunset provision in this legislation. I hope that will be considered favourably by all Parties in this Council.

The Opposition's amendments, which effectively will allow injured workers under a self-managed or exempt employer scheme the same access to documents as presently exists for claims agents, are sensible and achieve a level of consistency in the legislation that does not currently exist. From my own experiences in dealing with exempt employers, significant costs are often wasted because of the difficulty in obtaining documents from exempt employers. Over the years some exempt employers—and I will not name them—have been quite bloody-minded, have caused a lot of angst to injured workers and have unnecessarily blown out legal costs. Clearly, this amendment is very sensible and it will receive my support.

Finally, I do not see these further amendments as indicating that the Act has in any way been tidied up in any meaningful sense. Rather, I see that this legislation in its present and even in its proposed form needs a substantial overhaul, because there still is a considerable degree of dissatisfaction and distress for both injured workers and employers in relation to the administration of the Act and the rights available under the Act. I hope this Council will consider substantial reforms to the Act in the not-too-distant future.

The Hon. A.J. REDFORD secured the adjournment of the debate.

SUPPLY BILL

Adjourned debate on second reading.
(Continued from 18 March. Page 554.)

The Hon. P. HOLLOWAY: I support the Bill, but in doing so I wish to make some comments about the state of the economy. In recent weeks the Government has made much of the absolute necessity that forced it to sell off our electricity system and said that the future of our State is at stake. It is certainly true that South Australia's future is at stake, but it is because of this Government's poor economic performance and no other reason. In the introduction of its March report the Centre for Economic Studies made the following comments which I believe sum up pretty well the Government's performance over the past four years. It states:

In relation to economic development strategies, medium-term strategies for the growth of GSP, employment, investment and exports initially suggested in the AD Little Report—some of which were subsequently modified (upwards) by the then incoming Liberal

Government—were quietly dropped during the Government's first four-year term as the prospects of their achievement diminished. In their place, the Government substituted little more than hopes and expectations for the future development of specific sectors of activity in South Australia.

That sums up the Government's performance pretty well. Of course, it is obvious to all that at the last State election the Premier made statement after statement to the effect that ETSA would not be sold, that it would stay in public hands and that he had never considered and never would consider its sale. The Premier was found out when this fabrication lasted for no more than three months after the election.

The Hon. Legh Davis, who spoke very eloquently about the rose garden and the National Wine Centre this evening, used that opportunity to make another attack on Mike Rann's integrity. I know who the people of South Australia believe when it comes to choosing between the integrity of the Premier and that of the Leader of the Opposition. It is the Premier of this State who has broken promise after promise, and of course that one in relation to ETSA was a classic.

The Premier did not have the decency to tell the electorate at the last election that the sale of ETSA was on the cards because he knew what the result would be: he would no longer be Premier and, indeed, as it turned out he only just scraped in. The Government therefore has no mandate to sell another essential State service. How can the public be expected to trust in this Government when it continues to act so dishonestly?

The Government continues to use the Auditor-General's Report merely as an excuse to go on with the wholesale sell-off of our State. The Auditor-General himself has laid bare the extent of the Government's deceit. He has stated that the risks inherent in retaining public ownership of ETSA in the national electricity market, according to the comments he made to the Economic and Finance Committee, are:

Generic risks to anybody involved in commercial activities.

These risks are nothing extraordinary, according to the Auditor-General, but would have been capable of being identified for at least a couple of years.

So, the Government's excuse is shot down in flames by its apparent source. The Treasurer has been at pains to avoid addressing this issue in the House. His line has been, 'Whatever the Premier says, I agree with.' He has chosen not to consider alternative policy directions but to play follow the leader. When confronted with very real concerns his attitude has been the tired, 'Well, the Opposition always opposes policy initiatives.' This, of course, is not true, but we certainly oppose bad policy initiatives, and there have been plenty of them from this Government.

We certainly have one bright shining example of bad policy—the sell-off of another essential service, namely, water. At the time of the sale, the Government said that South Australians would receive cheaper water, more jobs and a world-class industry. These were guaranteed in the contract, we were told. Contrary to those happy Government forecasts, we have in reality more expensive water—something like 40 per cent more—fewer jobs and 100 per cent foreign ownership.

This Government is now proposing to sell off ETSA and is making the same sort of guarantees. It has privatised the management of water in this State, as is well known. We were told that the company that had this contract would be 100 per cent Australian owned. In fact, it remains 100 per cent foreign owned.

During the sell-off circus that we have seen in the past few weeks, the Government has tried to slip in across-the-board hikes in fees. Fees and charges are to increase in real terms by more than 5 per cent at a time when inflation is running at minus 1.1 per cent. This is at a time when confidence in South Australia's labour market is at an all-time low. Why is confidence so low? Because this Government has not been able to see past the 'For sale' sign and look to the major issue that faces ordinary South Australians, namely, employment.

In March 1998 employment in this State fell for the fifth consecutive month. The current unemployment rate is at 9.9 per cent. At the same time the participation rate has fallen to an astonishing low. South Australians have simply given up looking for jobs that do not exist and, to make matters worse, if the participation rate had not fallen unemployment in this State would have topped 10.5 per cent. Economic growth in this State is simply too low to generate more jobs, and therefore there are about 58 people for every vacancy, with the number of vacancies being fewer than in the late 1980s. The Government should be ashamed that South Australia is the only mainland State to have made no impact on unemployment for the whole of 1997. What a record that is! Unemployment has increased.

Nationally the unemployment rate dropped by .5 per cent in January this year. In stark contrast the South Australian rate rose by .5 per cent. Fewer people were employed in January 1998 than were employed at the same time last year. For some this might seem like old news, but it is worth repeating because it is the physical demonstration of this Government's failure. In the two years to December 1997, 720 jobs were lost every month.

In the public sector, at least 6 000 jobs have been lost every year for the past four years, and nearly 14 000 South Australians have been laid off or retrenched in the past four years. This is to be the Government's legacy to our children. Furthermore, and I think most disturbing, is the very high level of long-term unemployment in this State—42 per cent of South Australians have been unemployed for 12 months or longer. This is the standard for South Australians now—nearly half of our unemployed were not employed at all in 1997. At the current rate of economic growth, or the lack thereof, South Australia is set to see double-digit unemployment in this State as the norm.

South Australia's economic performance is against the trend of national economic recovery. We are paying for this Government's bad policy initiatives. The Treasurer has challenged me to indicate the Opposition's alternative to the decision to sell ETSA. Well, I challenge the Treasurer to detail to this Council the current state of the budget. The Government's budget estimates for the next three years forecast budget surpluses, but last week he stated that the 4½ per cent fee increase was necessary to 'reduce the level of the State's debt but also have an annual balanced budget'.

I cite another quotation from the March report of the Centre for Economic Studies in relation to increasing the levels of fees, charges and taxes because I believe that we need to consider the impact of this. The report states:

In the short run the tax increases would lead to private sector employment reductions, substantially offsetting any job creation resulting from outlay increases. In the longer run the effects of higher tax rates in South Australia would be likely to discourage new investment that otherwise would have occurred, leaving activity in employment, in all likelihood, more, not less, depressed.

That is the view of the Centre for Economic Studies, which this Government likes to quote on numerous occasions, about the impact of increased taxes and charges.

The Treasurer's statement last week also indicated that future rises are already being planned. This gives the lie to future budget surpluses. Far from realising a forecast budget surplus, this Government is struggling to obtain a balanced budget and, of course, we all know, as the Auditor-General's Report indicated and as I have stated in this Council on a previous occasion, this Government has been using its superannuation expenditure as a balancing item for the budget.

So, as the budget plunges further into debt, this Government simply reduces its superannuation provisions. As the Auditor-General pointed out, under this Government, in fact, in the past 12 months, the superannuation provisioning is less than it was in the last year under the Labor Government. Now that the Olsen Government has been demonstrated to be completely bankrupt of policy ideas, and as those policies which it has tried have been shown to lead to bankruptcy, the Treasurer is quick to issue challenges to the Opposition about what it would do. The first thing the Opposition would do is tell the truth to the South Australian community.

Before the election last October the Premier said repeatedly that he would not sell ETSA; he told South Australians that the budget was in sound shape and that the nominal $1 million budget surplus for 1997-98 was on track, as were these future budget surpluses; and, in October, he said that he was opposed to a GST, yet in November he said that he was in favour of a GST. How can such a wilful breaking of Government promises engender confidence in this State? People no longer believe anything that John Olsen or his hapless Treasurer say. There is such a complete breakdown in trust between the Government and the people that it is almost impossible for this Government to restore confidence to our community.

It is now apparent that the Brown-Olsen Governments have set in train a deflationary spiral. The huge cuts to the Public Service have resulted in the contraction of this State's economy. Many former public servants have taken their share of the $1 billion paid in packages over the past few years, and they have gone to look for greener pastures in Queensland or Western Australia. The outsourcing of the Government services has led to the repatriation of profits to the Eastern States, or overseas and a further reduction in South Australian based employees.

How often in these days do we see services which were formerly performed by South Australians who spent their income in this State being undertaken by itinerant interstate contractors? The Liberal Government has spent tens of millions of dollars on gaining a few high profile jobs from the Eastern States whilst neglecting the needs of long established local businesses. How much have we wasted on Australis and the Playford Centre on North Terrace?

It is long overdue that the focus be shifted from buying high priced and mobile multi-national jobs, which are vulnerable to a better bid from another State, to encouraging the growth of employment in industries where we have a proven advantage. We must halt the downward spiral in economic growth and employment which follows each cut in the public sector.

I issue this challenge to the Treasurer: is he prepared to rule out further cuts in the number of public servants or will he continue to use this approach as the preferred policy option for solving his budgetary problems? I ask the Treasurer: will he and John Olsen support a Howard GST which will further depress consumer spending? Is this Government prepared to fight the Howard and Costello Government for a fairer deal for this State?

Mike Rann has negotiated with our Federal Labor counterparts at the recent ALP National Conference for special treatment for this State. Indeed, the national ALP policy contains recognition of the difficult situation facing this State. I would like to read part of the national ALP policy. Headed 'Three Priorities for Regional Development', it states:

> South Australia—During the last five years the South Australian economy has consistently under-performed. The unemployment level in South Australia in recent times has been the highest of all mainland States. The majority of traditional industries have been reluctant to upgrade their capital and are therefore not in a position to respond to the technological age of the late twentieth century. Private investment levels have continually declined, resulting in the contraction of the industrial base and employment opportunities. As a response to this economic situation, trends indicate that large numbers of skilled individuals are migrating out of South Australia.
>
> As a result of these trends and developments, the South Australian situation requires a national response. This should be developed in consultation with the State Government and the local regional communities so that South Australia can realise its full economic and social potential. Labor is committed to furthering the development of defence manufacturing industries in South Australia and to the completion of the Adelaide to Darwin rail link.

So, the Labor national policy recognises the situation that exists in this State. But what has the Premier done? I must say that the former Premier (Hon. Dean Brown) at least tried to make some effort to get a better deal for this State in health care. But what has John Olsen done? What has he negotiated with John Howard? After the walkout at the Premiers' Conference last week, will John Olsen or the Treasurer campaign for the election of John Howard when the Federal election is held shortly? I think you can bet that they will.

The other point I want to make concerns asset sales. Over the past four years, the Liberal Government has sold assets with a price tag of almost $3 billion. However, this State's net debt as at 30 June 1997 (including asset sales) was $7.54 billion; and the debt as at 30 June 1994 was $8.548 billion (in current prices). So, although we have had $2 billion to $3 billion worth of assets sold in this State our net debt has reduced by just $1 billion over the past three years.

In the previous year's report, the Auditor-General told us that interest savings on the repaid debt under this Government have scarcely offset the loss in dividends from the sold assets. Indeed, that was the thrust of a question that I asked the Treasurer today about whether, if he intends to proceed with the sale of ETSA, he will guarantee that he will not sell that asset at a price below which the return in terms of reduced interest payments would offset the reduction in dividends.

The Treasurer was not prepared to answer that question. Indeed, when we look at the report of the Centre for Economic Studies to which I have just been referring, we can see that the thrust of that report—and one of its key authors is Cliff Walsh, who has been an adviser to this Government and a member of the Audit Commission early in the term of this Government—is that we should be selling off this asset even if it does not have a positive impact upon the budget bottom line. The Treasurer needs to come clean on that issue. As I say, with $2 to $3 billion worth of assets already sold, our debt has been reduced by about $1 billion. What we can say is that from those sales tens of millions of dollars have gone into consultants' fees. Indeed, having given respectability and

the principal asset sales job with a salary of $250 000 a year to a retrenched Beneficial Finance executive, the former Treasurer (Stephen Baker) had the favour returned by that former executive and he began work for his private consultancy company shortly after retiring from Government.

The Hon. R.R. Roberts: That was Beston Pacific, wasn't it?

The Hon. P. HOLLOWAY: I think that was the name of the company, yes. But there is a further loss to this State from asset sales. As the head offices of these former Government business enterprises move interstate or overseas, as they invariably do, some of the best employees move with them. The privatised entities have nearly always cut their South Australian based staff, and these lost salaries no longer continue to contribute to South Australia's GSP. Many of the more creative minds nurtured by our public sector are now contributing to the profits of overseas companies rather than to the good of the South Australian community. Indeed, when we look back to the Bolivar pong of 12 months ago we see that the expert who was brought back to deal with that problem happened to be a former employee of the old Engineering and Water Supply Department. That indeed is one of the tragedies of which this Government is not aware that comes out of—

The Hon. T. Crothers: Brain drain!

The Hon. P. HOLLOWAY: As my colleague the Hon. Trevor Crothers says, the brain drain, and that has been occurring under this Government. The Treasurer and the Hon. Legh Davis have also challenged the Opposition on its position on privatisation. Contrary to the assertions of the Hon. Legh Davis, it is the Liberals who are the ideologues on privatisation. The very fact that the Liberal Government announced its decision to privatise the Electricity Trust before it did its sums on the sale is proof enough that it believes in privatisation for its own sake rather than in benefits which a particular asset sale may bring. It is indeed true that the ALP has sold Government enterprises at a State and Federal level over the past decade. I cannot understand why the Hon. Legh Davis has got so excited over his discovering this fact.

The sale of the remaining publicly held shares in the Gas Company, the sale of the State Bank, the Commonwealth Bank or Qantas were hardly State secrets. He might also have said, but he chose not to, that we supported the sale by his Government of the Pipelines Authority and SGIC. We have also for many years outsourced or contracted out some services such as cleaning schools or removing waste. It has always been part of Government. However, what we have not done is sold or outsourced the management of essential public services such as water, electricity, telecommunications or hospitals. While we have sold some State assets, we have also created new assets, and indeed many of the assets which have been sold or are now proposed to be sold by this Government were created by the Labor Governments over the past two decades: for example, the Lotteries Commission, HomeStart, the TAB, the Pipelines Authority—

The Hon. T. Crothers: SGIC.

The Hon. P. HOLLOWAY: Yes, SGIC—and the most profitable parts of SAGASCO which were its Cooper Basin resources as set up by Hugh Hudson when he prevented Alan Bond from taking over the Cooper Basin, an act from which this State has benefited greatly. They are all examples of the wealth of enterprises created by the former Labor Government in the past couple of decades. I think this is the problem that we have. Legh Davis's Government can liquidate assets, but it does not create them. Whether the State should sell an asset is not just a question of the return on the sale of the asset exceeding the opportunity cost of holding the asset, although that is obviously a necessary condition before sale. But there are many other reasons why a Government may keep assets. If a building developer offered John Olsen a price in excess of the valuation of Parliament House, would he or should he sell? I would think not.

For many decades it has been widely accepted that Governments should run natural monopolies to protect the public from the abuse of market power and that Governments should run essential services, such as water supply, to ensure minimum standards of quality and access.

The Hon. K.T. Griffin interjecting:

The Hon. P. HOLLOWAY: Well, it is interesting that the Attorney-General should raise this. It has been true that in the past few years, a number of economists have tried to get us to the viewpoint that what were considered for over 100 years as natural monopolies can somehow be made competitive. Of course, that is the whole basis of the electricity industry. We have created this artificial level of competition. We are now well and truly launched into the national electricity market. The only problem is that the infrastructure for it does not exist. We have one powerline which connects us with the rest of this country and which has a capacity of 250 megawatts, whereas our average daily consumption is about 2½ gigawatts. About 20 per cent or 30 per cent of our power comes down that line, yet we consider that we have a national market. Another problem with this national electricity market—and this has been pointed out recently by some of the regulators in the area—is that it depends on the gas market. Originally, it was proposed—

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: As the Hon. Trevor Crothers says, there are, of course, losses in it. When this system was devised to try to create competition where none was considered previously to exist, it was considered essential that the gas markets had to be freed up as well. However, that has been lagging behind. Now all the regulators have some concern that, unless that happens quickly, decisions against the national interest will be made because of these delays.

I think there are some very real doubts emerging from those people who look at these things as to whether, in fact, a proper competitive market can ever be created. We have certainly seen a huge rise in the number of bureaucrats set up to manage this process, but—

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: —of course we have created a vested interest—

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: Indeed, they will be, but I suggest it is very far from proved at this stage—a long way from being proved at this stage—that we can actually turn something such as the supply of electricity, which was considered for 100 years to be a natural monopoly, into a competitive industry.

Many economic observers have discovered, in looking at the original recommendations of the national competition policy, that some figures were thrown around at the time which suggested that there would be $23 billion worth of benefits to this country if we were to go down this path. Some notable economists such as John Quiggan have analysed those figures and found that there is a lot of optimism and double-counting in that figure. I think a more sober estimate

of the benefits from the national competition policy is something like, if we are lucky, $4 billion.

We are now finding that we must establish all these bureaucracies to monitor this. We have a number of difficulties. The slowness in gas regulation is affecting our electricity market. I make a prediction that the net benefits of this national competition policy may not even be $4 billion. I think we may very well find that further down the track a number of mistakes will be made under the national competition policy and in some areas we may face significant additional costs because we have made the wrong decisions.

The Hon. T. Crothers: Indeed, there are many well respected international economists now coming out and throwing every doubt against economic rationalisation.

The Hon. P. HOLLOWAY: That indeed is true. I gave my colleague the Hon. Trevor Crothers plenty of time to get that interjection completely on the record, and he is correct in saying that we are now finding that a number of doubts are being raised about this. I conclude my remarks on this Supply Bill by saying that once again this Government has been shown to be bad managers. The Auditor-General's Report suggests that and the people of South Australia certainly agree with that. Its economic policies are a mess and it is continually pressing for bail-out measures such as the fee and charge increases instead of concentrating on the hard issues such as restoring economic growth to our economy and bringing down unemployment.

I am continually amazed by the cynicism of this Government and never more than during the debate about the selling of ETSA. The Government has tried to bully its opponents into accepting that this the only possible alternative, but we all know that this is not the case. The Government has chosen the easy way out without considering the consequences. We cannot afford the wholesale sell-off of another essential service. All we need to do is look at the water contract to know that this is the case. The Government has said that we have no choice, but this is not the case. We can choose not to fall for the Government line, for that is all it is. We can choose to consider carefully alternatives to the sale to discover our options. We can choose to work hard to improve employment in this State and try to give South Australia a more positive image. We can choose to do all these things but, most importantly, we can choose to stand up to this Government and tell it that enough is enough.

The PRESIDENT: Before we move to the next business, I respectfully advise members that the Supply Bill is not a general grievance debate. The appropriate place for a grievance debate on anything to do with money or supply generally is in the Appropriation Bill, which we will debate later. It has become a bad habit over the past few years. I have given some latitude to the lead speaker for the Opposition and did not try to cut in on his speech so that he could say what he had to say, but that should not be a precedent for everyone else to talk about a whole range of matters. The Supply Bill is purely about the supply of money for the Public Service and members should confine themselves to that. The Appropriation Bill which we will debate later is the appropriate forum for a general, wide ranging grievance debate.

The Hon. T. CROTHERS secured the adjournment of the debate.

EVIDENCE (USE OF AUDIO AND AUDIO VISUAL LINKS) AMENDMENT BILL

Returned from the House of Assembly without amendment.

MOTOR VEHICLES (DISABLED PERSONS' PARKING PERMITS) AMENDMENT BILL

Returned from the House of Assembly without amendment.

MOTOR VEHICLES (WRECKED OR WRITTEN OFF VEHICLES) AMENDMENT BILL

Returned from the House of Assembly without amendment.

ADJOURNMENT

At 10.30 p.m. the Council adjourned until Wednesday 25 March at 2.15 p.m.