LEGISLATIVE COUNCIL

Thursday 23 July 1998

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

RAPE COUNSELLING NOTES

The Hon. K.T. GRIFFIN (Attorney-General): I seek leave to make a ministerial statement about the confidentiality of rape counselling notes.

Leave granted.

The Hon. K.T. GRIFFIN: The law about rape and other forms of sexual assault has been transformed over the past 20 years. There has been a great focus of attention on the justice of the criminal justice system as it applies to sexual assault, attention by law reform commissions, the courts, the community and the Parliament. In the 1970s there appeared to be a clear consensus that the law was then archaic and inadequate. Indeed, in 1975 the then Attorney-General of South Australia instructed the Criminal Law and Penal Methods Reform Committee of South Australia, known as the Mitchell committee after its eminent Chair, Dame Roma Mitchell, to prepare a special report on rape and other sexual offences. This was by no means the first or last of such inquiries and reports, and many of them resulted in significant reform.

The results are plain to see. The law on rape and other forms of sexual assault has undergone a transformation. This included the substantive law defining offences, such as the recognition that rape could occur within marriage, but many of the more significant and symbolic of these changes were about the laws of procedure and evidence.

Statutory provisions prevented the use of evidence of the complainant's general sexual reputation and limited severely the use that could be made of the complainant's prior sexual history; the rules of evidence requiring corroboration of the complainant's story based on the classification of sexual assault complainants as being a wholly unreliable class of witness were abolished; and rules about the admissibility of late or delayed complaints were changed. Procedures relating to the conduct of committal proceedings to minimise the exposure of the victim to cross-examination at that stage have also been implemented.

Special laws such as, most recently, the law creating the offence of persistent sexual abuse of a child addressed the particular difficulties posed for the law by the trial of allegations of the sexual abuse of children.

Much has been achieved, but the legal and political dynamics of the law on rape and sexual assault do not stand still—they keep evolving. In Australia and, as it happens, in other countries, defendants in sexual assault trials are beginning to apply to gain access to the counselling records of complainants of sexual abuse in order to use them as a part of the defence case. This has prompted an outcry from rape counselling organisations and allied groups. It has also led to a small number of rape crisis workers facing prison terms for contempt of court in refusing to obey a court order to release records of sexual assault counselling.

There is a great deal at stake in this issue and there is, therefore, a great deal of conflict about it. I therefore believe that Parliament should make decisions resolving the interests at stake. While access to rape counselling records and their confidential status is currently regulated by the general law of evidence and procedure, it is quite clear that Parliament needs to make more specific decisions about whether and when those records can be made available beyond the maker and keeper of the record and, if so, to whom.

The records of personal counselling and treatment in relation to the trauma of sexual abuse or sexual violence are quite clearly of particular sensitivity. It is now clear that the conflict of values on the question of access has reached the point where it is time for Parliament to step in. The Government has therefore decided to draft and bring forward a Bill on the subject for the due consideration of honourable members.

As is so often the case, there is no one simple answer to the problem with which all agree. I want to make it quite clear that the interests of the due administration of justice to all are paramount in my consideration of the subject. That inevitably involves mediation between those who take the position that rape and sexual assault counselling records should remain entirely and absolutely confidential, no matter the consequences, and those who think they should be subject to free and unrestricted access.

That, in turn, involves the difficult task of balancing the interests of the complainant in receiving effective and appropriate treatment for trauma, the interests of rape counsellors in providing such treatment, and the interests of the accused and the community in making sure that any person accused of a crime, particularly and certainly accused of a heinous crime, receives a fair trial and that in an innocent person is not convicted of that crime.

It should be clear from what I have said that we cannot leave the situation as it is. There are models to which we can look for inspiration. New South Wales has passed the Evidence Amendment (Confidential Communications) Bill 1997—

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: We will get to that in a minute—which came into effect on 1 January 1998. The Victorian Government introduced an Evidence (Confidential Communications) Bill 1998 in March 1998. That Bill, as I understand it, has yet to pass the Parliament. Canada has passed the Criminal Code (Production of Records) Amendment Act 1997.

However, these examples must be treated with caution. The New South Wales Act has not been in force for long enough to assess its impact and is, in any event, framed as a part of the uniform Evidence Act which is not part of the law of South Australia. The Canadian Code provisions must be read against the backdrop of the Canadian Charter of Rights and Freedoms, which may yet invalidate them as unduly infringing upon the right to a fair trial, and a recent judgment has so ruled. No doubt the matter will reach the higher Canadian courts in due course.

I am also aware of the private member's Bill introduced by the shadow Attorney-General in another place. That Bill is based on yet another legal mechanism, and I am convinced that it is not the right one, although the honourable member's enthusiasm must be noted.

All of this has led me to decide to recommend that the Government take action on this issue. The Government has acted on my advice. A Bill will be drafted and will be the subject of consultation as soon as it can be done and done properly. I am determined that it will be done properly and in the best interests of the South Australian community

considered as a whole. Following that, a Bill will be introduced.

QUESTION TIME

AUSTRALIAN DANCE THEATRE

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for the Arts a question regarding the Australian Dance Theatre.

Leave granted.

The Hon. CAROLYN PICKLES: I have received two letters, one from Ms Tankard, the Artistic Director, and the other from the dancers of the Australian Dance Theatre, both of which I will read into *Hansard*. Both are dated 20 July 1998 and were received by me the same day. I do so reluctantly but in response to the Minister's disgraceful and vicious attack on Ms Tankard on Tuesday. The first letter, from Ms Tankard and addressed to me, states:

> In response to your question, I can say quite clearly that the Minister's press release of 14 July 1998, which called for an agreement by 15 July and endorsed aspects of the board's offer, played a significant role in my decision to make the agreement the company wanted and leave 20 months before my original contract expired.
>
> I was prepared to challenge the efforts of the company and the board to shorten the 31 December 2000 contract because I felt this was unfair and unjust. However, I did not feel I was in a position to keep going once I saw that the Minister was also pressing for an agreement.
>
> I still do not understand why the board took the action it did and why the Minister issued her release, but then I am the kind of person who doesn't understand how a board can say publicly that termination is not an issue whilst they are privately seeking to terminate, and how anyone can state publicly that they are attempting to forge an ongoing relationship whilst privately seeking to shorten the existing one.

The second letter is also addressed to me and dated 20 July, signed by all the dancers of the ADT. It reads:

> In response to your questions we can say that, as dancers performing with the Meryl Tankard Australian Dance Theatre we are most concerned that Meryl Tankard and the board have reached an agreement which effectively terminates her contract 20 months before it was due to expire. As dancers, we had called on Meryl not to make such an agreement with the board. However, we understand why she did so. We are extremely upset that, following what we regarded as a productive meeting with the Minister on 10 July, when we specifically asked the Minister to assist Meryl, she saw fit to issue her press release of 14 July, which was not, as far as we were concerned, helpful to Meryl at all. In fact, we saw that release as supportive of the board.
>
> We still do not understand what we and Meryl have done wrong. The company has achieved artistic success, critical success and, to our knowledge, is financially stable. It seems to us that we have done our job. Why haven't we been allowed to get on with it under Meryl's direction until the end of the year 2000? Why hasn't the board or the Minister for the Arts allowed the opportunity for our success with Meryl to continue beyond April next year? Does South Australia have a use-by date on achievement?

I support those sentiments. Does the Minister now accept that she played a significant role in causing Ms Tankard's premature departure and accordingly, as a result of her negligence, that the Minister must share a significant portion of the blame?

The Hon. DIANA LAIDLAW: An easy answer—and a correct answer—is 'No.' I issued that statement because, while she was not shadow Minister for the Arts at the time, the honourable member would recall the demands from the media, the Opposition and others last year when the board was having difficulty getting Ms Tankard to meet them, in terms of signing an agreement for Ms Tankard to continue in any form as Artistic Director of the Australian Dance Theatre. The initial contract with Ms Tankard contained a provision, as I outlined in my ministerial statement earlier this week, that in April of last year the contract was to be renegotiated and settled if that is what both parties wanted. However, it took from the start of negotiations in, I think, September or October of 1996 until August 1997 for a contract to be signed, and I was not prepared this time, when there was an offer on the table from the board, for the matter to again be protracted for one year.

If I had not done so, I suspect that the first person to complain would be the Hon. Carolyn Pickles, because she seems very confused in her line of questioning in this place and publicly. One moment she argues that I should be intervening and organising a mediator, notwithstanding the fact that no party—neither Ms Tankard nor the ADT—has called for such mediator. The Hon. Carolyn Pickles indicates that I should intervene in those—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: Yes, and the Arts Industry Council appears to be as confused on this point as the Hon. Carolyn Pickles. Neither Ms Tankard nor the Australian Dance Theatre called for mediation, yet the Hon. Carolyn Pickles in one breath says 'Hands off' but in the next breath says 'Intervene'.

The Hon. Carolyn Pickles interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: She is extraordinarily confused, and I would think that she would have difficulty addressing her responsibilities as Minister if she ever gets to that role. What I have always done—and rightly so—is not intervene. In answer to the dancers' question about why I have 'allowed' this to happen, the board resolved that the situation was unworkable and sought to negotiate a new working relationship. They are the simple facts in this matter.

AUSTRALIAN DANCE THEATRE

In reply to **Hon. CAROLYN PICKLES** (22 July).

The Hon. DIANA LAIDLAW:

1. Yes. As I said yesterday Peter Goldsworthy is a close friend of Ms Tankard.

2. Yes—I have on several occasions met with Ms Mary Beasley, the former Chairperson of MTADT, and the Hon Justice Margaret Nyland, the present chair of ADT as I meet with the chairs of all lead agencies from time to time.

The nature of those discussions, as with other companies, has been general updates (including financial information and artistic plans) and briefings.

I have also on met with the Artistic Director in my office to hear first hand reports of overseas tours. And we met informally after her performances—and I believe I have seen every Adelaide and Barossa Valley production.

3. As I advised yesterday, based on Justice Nyland's advice on April 1 that the Board believed a new arrangement could be reached amicably, I have continued to encouraged such a resolution.

4. Neither party asked for the appointment of an independent mediator.

For me to have appointed a mediator without such a request would itself be an intervention. For good reason the Arts Industry Council has consistently advised against intervention, although I note the Hon. Ms Pickles' public statements on the invention question are inconsistent.

5. To the first part—yes, as already stated.

To the second part—No.

Mr Schofield does not seem to appreciate that in order to avoid a situation that, in the Chairperson's view, would have left the company without any management structure and have rapidly bankrupted the Company. The Board's sole motivation has been to secure the future viability of the Company as a platform to

promote contemporary dance locally, nationally and internationally well into the future and to encourage dancers.

ADELAIDE, POPULATION

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about Adelaide's population.

Leave granted.

The Hon. P. HOLLOWAY: Last week, an *Advertiser* article reported the release of Australian Bureau of Statistics forecasts relating to Adelaide's population. The article in the *Advertiser* states:

> Adelaide is in danger of becoming the only mainland capital with a falling population—and a shrinking economy to match.

The article then quoted a number of industry leaders to whom I will refer. The article referred to the President of the Small Retailers Association, Mr Max Baldock, who said that the Government needs to sit down with the people in the know, the people with a vested interest in this State. It also quoted a lecturer in population studies at Flinders University, Dr Ross Steele, who said that the predictions should concern politicians and planners. Finally, the Housing Industry Association's Regional Director, Mr Martin Walsh, said that he hoped the Government would react to the figures.

Does the Treasurer believe that those projections issued by the Australian Bureau of Statistics give a fair picture of likely Adelaide population projection figures? If so, does the Government have any plans to respond to the projected decline in Adelaide's population as suggested by these industry leaders?

The Hon. R.I. LUCAS: If one were to accept the figures as portrayed by the *Advertiser*—and perhaps I will make some comment and then seek further information—it paints a very powerful reason why the Hon. Paul Holloway and members of his Party should consider the sale of ETSA and Optima as an important part of the establishment of a sound financial base in South Australia.

The Hon. T.G. Cameron: If I asked what you thought would be the temperature tomorrow, you would talk about ETSA and Optima.

The Hon. R.I. LUCAS: Ask that question and you might get that answer. If one were to accept those figures, that is, the declining population of Adelaide and therefore a declining work force and a declining opportunity for a taxation base for future Governments in South Australia, which are all corollaries of population projections of that particular type—

The Hon. L.H. Davis: He's nodding; he understands that.

The Hon. R.I. LUCAS: The Hon. Paul Holloway is with us this far. Clearly, that will place tremendous pressure on future Governments, be they Liberal or Labor, in terms of managing the budget position. The Minister for Human Services and other Ministers who have talked about the ageing structure of our population have also talked about the enormous increase in health costs that South Australia in particular because of its age profile is likely to face—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: Well, to give Mr Jacobi credit, he was one of the politicians from the Labor side who did recognise this as an important issue. The point that Mr Jacobi and others have highlighted is that there will be fewer and fewer people paying taxes to pay for the ever increasing costs that our aged section of the population will require. Therefore, a State Government and a State Treasurer will be placed in an even more difficult position than current Governments or Treasurers in terms of delivering levels of service and stability that Governments and the community require in a financial budget.

As the Hon. Mr Holloway knows, a key part of this budget is the establishment of up to $150 million in its bottom line through the sale of ETSA and Optima. That will provide additional flexibility in the budget bottom line to help meet the community's requirement for services to be improved. If one accepts those figures, there will be tremendous pressure on future State budgets. Clearly, this will be a matter of great concern for future Governments (Labor or Liberal).

In the light of that general comment, I think it is fair to say that the Government's advisers indicate that the headline in the *Advertiser* does not necessarily give a fair reflection of all the information that the Bureau of Statistics report provides. As I understand the position—and I will obtain further details—the report refers to the next 15 to 20 years of continued growth in South Australia—not significantly large growth but continued growth—whereas I think the headline gives a perception of a shrinking Adelaide. The population projections to which we refer are for the second period of 20 to 25 years of the 50 year projections that have been made.

My colleague the Hon. Robert Lawson, who discussed this issue recently, highlighted the fact that, according to his most recent experience, when demographers get together at electoral redistributions to predict population increases for the next four years, errors of up to 20 per cent are made. The figures that we have before us—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No. The figures that we have before us are for a 50 year projection. We need to be cautious in accepting the accuracy of these 50 year projections, particularly the view that there will be the declines of significant magnitude that have been quoted in the newspaper article. I do not have with me today a more detailed breakdown of those figures and the analysis, but I am happy to obtain that and provide to the honourable member what might be viewed as a more reasonable interpretation of those ABS figures.

ABORIGINAL YOUTH ACTION COMMITTEE

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier, a question about the funding program for the Aboriginal Youth Action Committee (AYAC).

Leave granted.

The Hon. T.G. ROBERTS: I attended a NAIDOC celebration recently where the Premier presented the 1998 NAIDOC Premier's Award to Mr Neville Highfold, an Aboriginal person who works in the Aboriginal youth area. Mr Highfold is one of those people who developed the idea and drew up the guidelines for Aboriginal youth councils. Currently, those guidelines are being adopted throughout the State in each region, and other States are looking at the formation of Aboriginal youth councils to be run on the same or similar lines to that of South Australia.

As he made the award, the Premier acknowledged the work that Mr Highfold has done. He said:

> His dedication, commitment, contribution and support to the Aboriginal community is extremely worthy of recognition.

When Mr Highfold came forward to receive the award, the Premier acknowledged some of his achievements, as follows:

Ten years ago Neville founded the Aboriginal Youth Cultural Week Program which looks at issues pertaining to youth and how they can be addressed.

The Premier went on to point out that Mr Highfold founded the Kumangka Aboriginal Youth Service, which has been run very efficiently to address and support youth who frequent Hindley Street and the inner city area. The Premier also said that a lot of the work that had been done had been recognised by the community but that the NAIDOC Week presentation was a public demonstration of Mr Highfold's efforts, which the Premier and the Government felt needed to be recognised in a public way.

Although this program is worthy of support—and the Government is supporting it and the Opposition has no problems about that—of concern among people working in the Aboriginal youth area is that the direction in which the program needs to be taken should be addressed by a review. It was the understanding of people working in the Aboriginal youth area that a review process would commence.

Given the fact that young Aboriginal people are the most disadvantaged in the State in relation to services provided, particularly in regional areas, it was felt that the review process would assess the programs as they stood at the moment and the benefits they represent, and would examine the programs that are running. Those that are successful can be modelled in and around the metropolitan and regional areas and can be supported by extra finance, which could target efficiencies that can be achieved from the review process. It has come to the Aboriginal people's attention that the review has now been cancelled and that the funding has been withdrawn. After such a commending speech by the Premier, my questions relate to the disappointment that Aboriginal people feel over the review process being suspended. My questions are:

1. Is the Premier aware that the proposed review process of the program has been denied funding?

2. Will the Premier ensure that funding for the review will go ahead, to enable progress to be made in this important area?

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

STATE DEBT

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Treasurer a question about debt reduction in South Australia.

Leave granted.

The Hon. L.H. DAVIS: I was examining the contribution of the Hon. Paul Holloway, who apparently is the Labor Party spokesman on financial matters in the Appropriation Bill, in the hope that I might find something helpful and useful in better understanding the Labor Party's attitude towards the all-important question of debt reduction. In this contribution—

The Hon. T. Crothers interjecting:

The Hon. L.H. DAVIS: I think I will let you get trapped in your own web. In this contribution of 9 July the Hon. Paul Holloway stated:

The other general economic comment I want to make—

and I should interpose and say that when he says 'a general economic comment' he is speaking with some authority, because he holds an economics degree. He said this with the weight of his knowledge as an economist, although I suspect from what he said afterwards that he probably went to a different economics school than the one I went to.

The Hon. Carolyn Pickles: Where was yours? You went to a blue ribbon economics school?

The Hon. L.H. DAVIS: No: the University of Adelaide. I think they taught a bit differently by the time Mr Holloway got there.

Members interjecting:

The Hon. L.H. DAVIS: They are a bit sharp today; it is unusual to see this.

The PRESIDENT: Order! The Hon. Mr Davis will get on with his explanation.

The Hon. L.H. DAVIS: I am being distracted, Mr President. I am finding it a bit unusual. I am quoting the Hon. Paul Holloway; I am not rambling at all. He stated:

The other general economic comment I want to make before I go on to some specific primary issues relates to debt reduction.

The Hon. CAROLYN PICKLES: I rise on a point of order, Sir. My understanding is that if a Bill is before the Council members are not allowed to refer to it in Question Time.

The PRESIDENT: Order! To what Bill is the honourable member specifically referring?

The Hon. CAROLYN PICKLES: He is quoting from the Appropriation Bill speech.

The PRESIDENT: I do not uphold the point of order.

Members interjecting:

The PRESIDENT: Order!

The Hon. L.H. DAVIS: The Leader of the Opposition should read up on the Standing Orders. Just hanging on by a thin whisper to the leadership, she can do better than that. I am trying to get to the nub of what Mr Holloway has said, but it is very difficult because the members of the Labor Party keep interrupting.

The Hon. Carolyn Pickles interjecting:

The PRESIDENT: Order, the honourable Leader of the Opposition!

The Hon. L.H. DAVIS: He states:

I pointed out in a previous debate that under this Government—

he is referring to the Liberal Government—

we have now had asset sales of something between $2 billion and $3 billion, but the debt reduction, up until the previous budget, had been only $1 billion. One of the unfortunate things is that, with all the promises this Government made of asset sales, it has not flowed through into significant debt reduction in this State.

Then the Hon. Mr Elliott interjected but it does not say what he interjected, which is a bit of a disappointment. The Hon. P. Holloway continued:

Much of it goes on separation packages. I think that probably $1 billion has gone on separation packages that many people have taken, much of which has been exported to Queensland or Western Australia.

He is answering his own population question there, of course. He continues:

A myth that this Government is trying to create for itself is that it makes hard decisions. How difficult is it to put up a 'for sale' sign, particularly when you are paying someone tens of billions of dollars to put up the sign? That is really what is happening in many respects with the asset sales. . . What will be hard in the future is picking up the pieces and trying to ensure some continuity of employment in this State when all those assets are gone.

Is there a contradiction in the argument that the Hon. Paul Holloway makes with regard to debt reduction in the analysis of the State's debt, which was outlined in his statement on the Appropriation Bill?

The Hon. R.I. LUCAS: The only good thing about the shadow finance Minister's contribution to the Appropriation Bill debate was that straight after that comment the honourable member moved onto something he knew a little bit more about—and that is pilchards. He then stayed on that for three or four pages addressing the dilemma of the pilchard industry in South Australia.

The issue of debt reduction and asset sales in South Australia has been raised by the Leader of the Opposition (Mike Rann), the Hon. Mr Holloway and the Deputy Leader of the Australian Democrats in this debate. There has been criticism from all three members in this debate, both in the Chambers and in the public, about the Government's reduction in the size of the public sector over the past—

The Hon. M.J. Elliott: Cliff Walsh, too.

The Hon. R.I. LUCAS: No, not at all. Yes, criticism: Cliff wants us to cut more. Cliff Walsh's viewpoint is that we have been a touch too soft and have not cut hard enough and deep enough. I suggest that the Hon. Mr Elliott, whose training is not in the economics area, should not portray himself as someone who knows what Cliff Walsh is arguing. Cliff Walsh has argued the reverse: he has criticised this Government and me, as Treasurer, for not cutting deep enough and hard enough into the public sector and public services.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: This is an important issue because the line of argument developed by the Labor Party and the Democrats—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: This is a general point that has been has been made by Mr Rann, Mr Holloway and the Deputy Leader—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No—in the public arena and also in debate—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Holloway is a bit sensitive to having his economic analysis—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Well, if you didn't interject you wouldn't be wasting it. There is a simple solution: silence. Then we will be able to give the answer and move on. This is an issue that has been raised, as I said, not just in the Chamber but in the public arena as an argument against the Government's asset sale program of the past four years and the asset sale in relation to ETSA and Optima.

The argument of the Hon. Mr Davis in referring to just one of these quotes from the Hon. Mr Holloway—and his has been perhaps the most explicit quote of a number that have been placed on the public record in this Chamber—goes against the reduction in the public sector and against the Government's asset sale program and, indeed, being critical that the size of the debt has not been reduced by the full extent of the asset sale proceeds. I point out to the shadow Finance Minister that the ball park separations over the past four years (and this is estimated, because the figure for 1997-98 was still an estimated figure), according to the figures provided to me by Treasury, show that there were just over 12 000 full time equivalent separations that attracted TVSPs.

The advice provided to me by Treasury is that the ongoing annual savings to the budget of those reductions is almost $500 million per year. To put it simply for the shadow Finance Minister, if we are running a budget in balance (we have achieved that in part by reducing our expenditure levels by $500 million a year) and we had not done that, we would be running an annual budget deficit of $500 million a year. Therefore, every year we would be adding $500 million to our total State debt of $7.4 billion.

Members interjecting:

The Hon. R.I. LUCAS: I cannot put it much more simply.

The Hon. L.H. Davis: Can you understand that point, Paul?

The Hon. R.I. LUCAS: The Hon. Terry Cameron can understand it.

Members interjecting:

The Hon. R.I. LUCAS: Well, registration fees would be going up exponentially to even greater levels, and taxes and charges would have to be increased. There is a $500 million bottom line benefit to the budget that has been achieved through the TVSPs. So, the Hon. Paul Holloway, Mike Rann and the Deputy Leader of the Australian Democrats, who criticise the reduction of the size of the public sector arrived at or entered into by the Government over the past 4½ years, are basically arguing for a position where we run an annual budget with a deficit of $500 million a year. So, over the next four years, according to the Rann, Kanck and Holloway proposal, we would add $2 billion to our State debt. I cannot put it any more simply than that.

The Hon. Carolyn Pickles: So boring!

The Hon. R.I. LUCAS: It might be boring for the Leader of the Opposition, who is bored by the substance of running budgets and having to manage and balance a budget. It is too boring for the Leader of the Opposition, who is under great pressure from her own back bench and from others.

Members interjecting:

The Hon. R.I. LUCAS: The Leader of the Opposition does not have to say 'What bullshit' in the parliamentary forum like that. She may well be under pressure, but she does not have to respond with that unparliamentary language in this Chamber. It might be boring for the Leader of the Opposition, but talk to some of her back benchers and other members of the Labor Caucus—obviously not the shadow Minister for Finance—but where would you as the Labor Party and your Leader and you as a member of the leadership group find the $500 million that you are criticising as a result of the downsizing program in the public sector? It is as simple and stark as that. The logic of the Holloway, Rann and Kanck proposals in terms of running budgets and asset sales and paying off State debt do not bear any investigation at all.

The Hon. M.J. ELLIOTT: Mr President, I desire to ask a supplementary question.

Members interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: Will the Treasurer provide to the Council a breakdown which explains precisely how the $500 million figure is arrived at? Can he assure the Council that this is net of work that has been outsourced?

The Hon. R.I. LUCAS: I am very happy to provide any information which would improve the economic understanding of the State budget by the Leader of the Australian Democrats which, I must say, on his past record is not at a high level.

The Hon. L.H. Davis: Lamentable.

The Hon. R.I. LUCAS: 'Lamentable' is a bit strong. Certainly, however, it is not at a high level, and I am happy to provide some information that may well assist the Leader

of the Australian Democrats to understand some of the basics of running a budget, because the brutal reality is that the Leader of the Australian Democrats has never run a budget of any sort at all. And he will never have to run a budget of any sort, let alone, of course, have to run a State budget or try to balance the books of this State which were ruined by people of the like of John Bannon and others over the past 10 years here in South Australia.

POLICE COMMISSIONER

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Police, Correctional Services and Emergency Services, or himself, a question about the Police Commissioner's contract.

Leave granted.

The Hon. IAN GILFILLAN: In late 1996 this Parliament debated and passed the Police (Contract Appointments) Amendment Act, which amended the Police Act to provide for a five year contract for the Commissioner of Police and his Deputy and Assistant Commissioners. It also provided the opportunity for the Minister for Police to set (and I quote the Act) 'performance standards' for the Police Commissioner to meet and that on varying or setting those performance standards 'a statement of the standards of variations must be laid before each House of Parliament within six sitting days.' This is contained in section 7 of the Police Act, and there is no current move to amend it.

When the subject of the Police Commissioner's contract was debated in this Chamber in 1996, the Democrats represented by the Hon. Sandra Kanck supported this measure. In fact, the clauses were supported by all Parties. In another place the then Police Minister, Hon. Steven Baker, stated that performance standards for the Police Commissioner were a matter of 'sound management practice'. He stated:

> . . . performance agreements seek to set levels of performance that involve continual improvement.

He spoke of:

> . . . reasonable and responsible targets [to] lift the quality and the standard of service delivery.

So, it can be seen that the idea of setting performance standards for the Police Commissioner had the firm support of the Government, the Opposition and the Democrats as recently as December 1996, when the Bill was finally passed. Indeed, after the Bill was amended to ensure that the performance standards would be laid before both Houses of Parliament, no-one in the Parliament spoke against that aspect of the Bill.

I wrote to the Minister for Police, Correctional Services and Emergency Services on 7 May this year, asking him for information on this matter with regard to the Police Commissioner's contract. I received no reply. I wrote again on 2 July asking if I could have an answer to the questions that I had asked in relation to that contract, and I am still awaiting a reply to those questions asked in the letter. This does reflect that perhaps there is no answer (that is why I am raising this matter in the Council) and that the obligation in the Act for performance standards to be set and tabled has not been fulfilled; it certainly does cast some doubt on the capacity or intention of the Government to follow through to this Parliament on legislative requirements for contract obligations for the police force. Parliament. Therefore, my questions are as follows:

1. With respect to the present Police Commissioner, on what date was his contract signed?

2. Did the contract include a clause in compliance with section 7(2)(b) of the Police Act, which is the clause allowing performance standards to be set?

3. Has the Police Minister set any performance standards for the Police Commissioner to meet?

4. If so, on what date or dates were these standards set or varied, and why has no statement or statements of these standards been laid before both Houses or either House of Parliament, in compliance with section 7(5)?

5. If no performance standards have been set, why not, and is the Government intending to set any performance standards for the Police Commissioner at any time during his contract?

6. Is it the Government's intention that, in future, rank and file police or commissioned officers will be subject to compulsory performance standards through legislation while the Government appears to be, or is, unwilling or unable to set performance standards for the Commissioner who is currently serving?

The Hon. K.T. GRIFFIN: I will refer the questions to my colleague and bring back a reply.

YATALA LABOUR PRISON

In reply to **Hon. T.G. ROBERTS** (2 July).

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has been advised by the Department for Correctional Services of the following response—

What short term remedial action is being taken to alleviate the staff shortages at the Yatala Labour Prison?

A recruitment program to address vacancies at Yatala Labour Prison commenced in May 1998. There are 14 new recruits who have undertaken training and three internal transfers that will be facilitated. 17 Officers commenced duties in the prison on 20 July 1998.

What long term remedial action is being taken to alleviate the staff shortages at the Yatala Labour Prison?

The actions to date that will come into effect on 20th July 1998 address all permanent vacancies that exist at Yatala Labour Prison. Vacancies that will occur in the future will be managed in accordance with standard departmental practices and procedures of recruitment.

Will the Minister and/or the CEO, Mr Paget, meet with the PSA/CPSU representatives to negotiate a satisfactory settlement of these problems at the Yatala Labour Prison?

The chief executive of the Department for Correctional Services has met the PSA/CPSU on this and related matters and will continue to do so. I am advised that the most recent meeting was held on Monday 13 July 1998.

Has the management configuration of the prison classification of prisoners been changed in any way to suit the new circumstance so that transfers can take place from Yatala?

Yatala Labour Prison is a maximum-security reception facility catering for all classifications of prisoners. Prisoner transfers are being processed in accordance with departmental requirements and procedures. There have been no changes to the process of prisoner classification.

Has the configuration of accommodation been changed to suit the new circumstances, that is, that the prison is operating 20 per cent below capacity?

The prison population at Yatala Labour Prison is currently below capacity due to the reduced number of sentenced prisoners being referred by the courts. The Department for Correctional Services is initiating alternative accommodation options for some categories of 'protectee' status prisoners. Transfers to Port Augusta Prison have already been actioned. This has enabled management to temporarily close one unit within B Division and relocate staff to priority areas.

WORKCOVER

In reply to **Hon. J.F. STEFANI** (4 June).

The Hon. K.T. GRIFFIN: The Minister for Government Enterprises has provided the following response:

1. Yes. The levy rate for each class of industry for 1998-99 financial year was published in the South Australian *Government Gazette* on 14 May 1998 appearing at pages 2172-2179 inclusive.

2. 52 per cent of employers covered by the WorkCover Corporation (including 32 per cent with a rate adjustment of 0.10 percentage point) will experience an increase in their class of industry levy rate.

3. 7 per cent of employers covered by the WorkCover Corporation will experience a decrease in their class of industry levy rate.

Note: In funding the scheme for 1998-99 which incorporates a review of the levy rate for each class of industry, the overall target average levy rate has been maintained at 2.86 per cent—the rate it has been for the past five (5) years.

LOTTERIES COMMISSION

In reply to **Hon. NICK XENOPHON** (3 June).

The Hon. K.T. GRIFFIN: The Minister for Government Enterprises has advised that, as announced on 31 May 1998, an agreement was signed by the Lotteries Commission of South Australia and GTECH Corporation on 26 May 1998 for the provision of a lotteries real time on-line computer system. The PRO:SYS system, which will be operational on 21 February 1999, will replace the current GTECH GOLS operating system installed at SA Lotteries in 1984.

1. Yes. The Minister for Government Enterprises and the Lotteries Commission of South Australia were aware of the previous controversy involving the GTECH Corporation in the United States and in the United Kingdom.

The allegations to which I believe the honourable member was referring related to the company's aggressive approach to gaining new and retaining existing business. The USA allegations related to the activities of J. David Smith, a former GTECH employee who has since been convicted of defrauding the company. The honourable member may not be aware that in a subsequent edition of Fortune magazine, to that which he referred, a letter to the editor was published from the Georgia Lottery Corporation refuting the allegations in respect to the awarding of a contract in that State.

Any concerns about the controversy surrounding the involvement of GTECH Corporation in the UK National Lottery are completely unfounded.

In January 1998, the then acting director general of the National Lottery initiated a review of GTECH's fitness and propriety subsequent to libel action between GTECH's Guy B. Snowden and the founder of the Virgin Group, Richard Branson.

Following the enquiry, the director general concluded and found GTECH to be "fit and proper for its role as a supplier of lottery systems and services to the National Lottery". He also stated that he was "impressed with the company's commitment to high standards of business behaviour".

Mr Snowden no longer has any association with GTECH Corporation and GTECH Corporation continues to be a supplier to the UK National Lottery.

In February 1998 the Texas Lottery reaffirmed its relationship with GTECH Corporation.

The GTECH Corporation has been an efficient supplier to SA Lotteries since 1984.

In its world-wide operations GTECH predominantly provides facilities management services and operates the system. It is acknowledged throughout the industry that GTECH has tremendous skill in lotteries.

2. SA Lotteries commenced planning for the replacement of the current on-line lotteries system in late 1994.

Following Cabinet approval on 21 May 1996, the Lotteries Commission of South Australia issued a Request for Proposal on 22 May 1996 to seven wagering system suppliers and also to EDS. Submission of proposals closed on Friday 19 July 1996. Proposals were submitted by two of the invited suppliers, namely GTECH Corporation and International Lottery and Totalizator Systems (ILTS).

The evaluation of the two proposals received commenced on 22 July 1996. The shortlist comprising both ILTS and GTECH was declared on 2 August 1996.

The Evaluation Committee comprised of executive and senior management of SA Lotteries together with representation from both internal and external auditors. KPMG was also contracted by SA Lotteries to provide additional support in the evaluation process.

The technical evaluation of the proposals was completed by 20 August 1996.

The financial evaluation of the proposals was completed by 30 August 1996. KPMG was subsequently requested to undertake a review of the vendors financial position which was completed in November 1996. KPMG reviewed the last two years audited financial statements and annual reports, relevant stock exchange announcements and press articles from November 1995 to November 1996 as well as the share price movements from November 1994 to November 1996.

On 17 December 1996, the Lotteries Commission of South Australia resolved that GTECH was the preferred supplier for the replacement on-line wagering system.

On 19 December 1996 a submission was forwarded to the Prudential Management Group. The Prudential Management Group considered the submission on 8 January 1997.

A submission with respect to the replacement lotteries system was considered by Cabinet in May 1997.

In accordance with the Treasurer's instruction dated 17 June 1997, a Probity Audited Negotiation team was formed comprising representation from SA Lotteries, the Department of Treasury and Finance and Crown Law. The role of the team was to conduct further negotiations with a view to securing a more acceptable outcome for the Government.

The Probity Audited Negotiation team completed their function on 31 October 1997.

A further submission was forwarded to Cabinet in November 1997. The final submission was made in April 1998 and approved by Cabinet.

3. The Request for Proposal (RFP) contained instructions with respect to probity. Proposers were required to warrant that no incentive had been offered to a member of the evaluation committee within the 12 months prior to the date of the RFP. GTECH Corporation signified compliance with this section.

Following a tender process, the role of Probity Auditor in respect of the negotiations by the Probity Audited Negotiation Team of the replacement of the on-line wagering system for SA Lotteries was undertaken by Price Waterhouse.

The function of Price Waterhouse as Probity Auditor was to ensure that the process carried out in respect of the negotiation and the selection of the preferred tenderer was fair and equitable and executed in a manner which ensured that there should not be any substantiated complaint against either the Committee, SA Lotteries or the Government. The Probity Auditor's role was also to provide advice to the Probity Audited Negotiation Team where necessary, overseeing the process employed and ensuring that an adequate audit trail was maintained.

Upon request by the Treasurer, the Probity Audited Negotiation Team entered into detailed negotiations with both shortlisted suppliers (namely GTECH and ILTS) in accordance with the Treasurer's directions.

The Probity Audited Negotiation Team established evaluation criteria and the methodology to evaluate the responses to the request for further information.

As part of the process, the tenderers were asked to present to the Probity Audited Negotiation Team. At the conclusion of the presentations the Probity Audited Negotiation Team formally evaluated the information received re the revision to offer prices and system configurations. The Probity Audited Negotiation Team discussed each tenders' merits and agreed on the selection of the successful tenderer.

The scoring of the responses, the file notes of all meetings and the final signed off recommendation were sighted by the Probity Auditor.

The findings of the Probity Auditor were that:

- a due process was developed and implemented to negotiate with the Suppliers;
- the Negotiation stage was fair and equitable and conducted in such a manner as should ensure that there can be no substantiated complaint against the procedures adopted;
- a due process was developed and implemented to select the preferred tenderer; and
- there exists a clear audit trail to support a defence against any complaint associated with the processes.

4. The current contract between the Lotteries Commission of South Australia and GTECH Corporation which has been in place since 1984 is based on the payment to GTECH of a percentage of sales. In return, GTECH provides the software license and software support.

The new agreement is not based on GTECH receiving a percentage of sales on products sold in South Australia through the current distribution network. The agreement is based on SA Lotteries paying an upfront license fee together with a fixed annual licensed software fee. In addition, an annual support software fee will be paid.

5. As the incumbent supplier, consultation occurred only at the operational level between the Lotteries Commission of South Australia and GTECH Corporation.

There was no communication in relation to the proposal from GTECH Corporation other than through the evaluation and negotiation process which has been fully documented.

6. Yes. In May 1997 probity statements with respect to the replacement lottery system were signed by the chairman of the Lotteries Commission of South Australia, Commission Members, SA Lotteries Chief Executive Officer, Executives of SA Lotteries and members of the Evaluation Committee. Those probity statements declared that the above mentioned persons had not, in the 12 months preceding the release of the request for proposal or since, had offered to them any incentive to influence them or their decision concerning the selection of GTECH as the preferred supplier. These probity statements were issued at the request of, and supplied to, the then Minister for Finance. To my knowledge there has been no contacting of State Government officials.

7. In response to earlier questions I have already provided a comprehensive explanation on the tender process undertaken, in relation to the replacement of the on-line lotteries system. However, in specific response to the honourable member's final question, I advise that the tender process was a request for proposal on a selective basis by invitation to the seven major lottery system suppliers with proven lottery system technology and to EDS. The tender was not advertised due to the specialist nature of these systems. As I have already responded, there were two bidders for the contract being GTECH Corporation and ILTS.

GTECH Corporation is the world's leading supplier of computerised on-line lottery products and services. Currently, GTECH has contracts to supply and/or operate lottery systems for 29 US Lottery organisations and 50 outside of the US.

Just as GTECH has provided a high quality service to SA Lotteries since 1984, I have no doubt that this will continue under the new agreement with South Australians enjoying the greater benefits of the replacement system early next year.

NATIVE TITLE

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Attorney-General a question about native title.

Leave granted.

The Hon. CAROLINE SCHAEFER: An article in the *Stock Journal* of this week, entitled 'Native title fears growing', states:

> South Australia's Native Title draft area agreement, the basis for proposed State legislation, has come under fire from northern pastoralists who claim their interests are being overlooked by the State Government and the South Australian Farmers Federation.

The article further states that in the opinion of a group of pastoralists in the north-east of the State—not the north of the State as is quoted—according to their spokesperson, the area agreement in its present form offers pastoralists only half-hearted assurances. Can the Attorney-General indicate the accuracy of this article, and does the area agreement in fact offer only half-hearted assurances to pastoralists?

The Hon. K.T. GRIFFIN: I have seen the article. I can understand the reaction of some pastoralists to the Native Title Act and now the most recent amendments. They have a genuine concern about the way in which they will be able to operate their pastoral leases, who will have to access to them, and how secure will be their investment—in some instances quite substantial investments. I understand the concerns which they have been expressing, but I do not agree with their conclusion.

The Hon. T.G. Roberts interjecting:

The Hon. K.T. GRIFFIN: The difficulty that everybody has in Australia, but in this State in particular, in relation to pastoral leases and native title claims is that there are, as I understand it, 33 native title claims in South Australia. I have said before, I say it now, and I will say it again in the future: the State Government is trying to find a way through the Native Title Act complexities to give a greater level of security and certainty to pastoralists, but also certainty to Aboriginal native title claimants, to miners, and to State and local governments in particular. An area agreement is one way by which that certainty can be better achieved, rather than going through the court process.

Going through the court process, on our estimate, means that the State alone has to spend $5 million in legal costs on each claim. That does not take into account the amount which will be spent by pastoralists, claimants and others in dealing with these claims. I would have thought everybody would accept that if there is a way in which we can negotiate an agreement which provides a framework for a higher level of certainty in relation to native title issues, that is in everyone's interests. It is in the interests of the pastoralists, the native title claimants and the State and local governments. That is what we have been trying to do.

It is true that we have had some discussions with the Farmers Federation, as we have with the Aboriginal Legal Rights Movement and the Chamber of Mines. There has been some very positive feedback about the principle that we are seeking to achieve but, quite rightly, there are concerns about aspects of the draft area agreement. We have indicated that we are delighted to get their responses because the whole object of putting out a draft of an area agreement was to get people to focus their mind on some constructive way by which we might get a higher level of certainty—and not for any other reason.

We are not wedded to any provisions of the area agreement, but we are wedded to a higher level of certainty in dealing with native title issues. Whilst we have had discussions with the Farmers Federation, there have also been discussions with individual pastoralists at meetings, particularly in the north of the State, and everybody has been able to attend. We attend native title mediation hearings, and pastoralists attend those meetings. There is no end of opportunities to communicate a point of view. In so far as the pastoralists in the north-east of the State are concerned, if they want to make representations they can, but they have to have a constructive proposition to put to us. After all, what we are seeking to do is to achieve a constructive and beneficial outcome for everyone. If people are not prepared to make a contribution to the debate in a constructive way we cannot be blamed as a Government for, perhaps, missing something which otherwise should have been drawn to our attention.

The Hon. T.G. Cameron interjecting:

The Hon. K.T. GRIFFIN: I hope you are not going to.

The Hon. T.G. Cameron interjecting:

The Hon. K.T. GRIFFIN: No, not missing things all the time. The fact is that the statements which are attributed to the north-eastern pastoralists group do not accurately reflect the position of the State Government, or seem to appreciate what the draft area agreement is seeking to achieve. I notice in the article that there is one reference, which is said to have been made by this group of pastoralists, as follows:

> We have always given Aborigines access to our land. All we want is a pastoral lease and we will be quite happy.

They have a pastoral lease. They may well have granted access to Aboriginal people. That has been the law in this State for the past 100 years, but one of the issues that must be addressed is how does one now more clearly define the rights which have been part of the law of South Australia for the past 100 years—the rights which are now enshrined in section 47 of the Pastoral Land Management Act? That is one of the big issues which we are trying to address in consultation with all those who have an interest in the pastoral lands and in this issue.

I reiterate that we are happy to listen to anybody who has a proposition to make on this issue. The draft area agreement is an umbrella agreement. It provides for more localised agreements in which local pastoralists will be involved, but ultimately there must be some framework within which this can all work and we think something akin to the draft area agreement is the way in which we will ultimately achieve that end.

YOUTH ALLOWANCE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question on the impact on families of recent Federal Government changes to unemployment benefits.

Leave granted.

The Hon. CARMEL ZOLLO: The Minister would be aware of the recent changes introduced by the Howard Government in relation to the youth allowance which has replaced unemployment benefits for those aged 18 to 21 years, with payments now based on a parental means test. The means test is most restrictive with a very low combined parental income starting at $23 350, with benefits ceasing at $42 000.

According to the Federal Government's own figures, the changes will result in 46 000 young adults being denied financial support. Estimates indicate that at least 5 000 young adult South Australians will have support withdrawn. Many welfare agencies in South Australia have expressed their concerns that such ill conceived and mean spirited policies place further pressure on family relationships by reducing household income, and further strain our already overstretched welfare services. The trickle down effect is enormous. One prominent Adelaide welfare group, Centacare, is conducting a phone-in over the next few days to gather further information on the social impact of the new youth allowance scheme.

The phone-in has been overwhelmed by the response, with many cases of personal suffering emerging as a result of the scheme. Many people are caught in a catch-22 of being made ineligible for youth allowance and, as adults, not considered for dependent child allowance. A major problem is that the scheme is in essence retrospective, because the means test is based on the past year's combined income. Does the Minister for Human Resources accept that the change in policy places an undue burden on many South Australian families already suffering hardship, and will he raise with his Federal counterpart the concerns being expressed by so many families and welfare groups?

The Hon. DIANA LAIDLAW: I will refer that question to my colleague in another place and bring back a reply.

LIQUOR LICENSING

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Attorney-General a question about liquor licensing.

Leave granted.

The Hon. R.R. ROBERTS: Today I was made aware of a situation that has arisen in Port Pirie, where the well known practice after an away game for the football club is generally an esky full of alcoholic beverage consumed on the way home in the bus. This is a practice much loved by the good old boys up there in Port Pirie and, I am sure, everywhere else.

The Hon. L.H. Davis: I can tell you're familiar with it!

The Hon. R.R. ROBERTS: We had a good song, and you could have featured right in it. The club has recently been advised that that practice can no longer take place, since the bus company has told them that they need a liquor licence. Under the definitions in the Act, a public conveyance means an aeroplane, vessel, bus, train, tram or vehicle used for public transport or available for hire by members of the public. One understands that if we look at that broad definition, obviously, it is a bus. But the point being made by my constituents is that there is no liquor being sold: it is not part of the service provided by the bus company itself. An example has been put to me, on some counsel that I have taken, that a limousine service provides this, so it is required to have a licence. I can well understand that, because you actually buy a service for the provision of alcohol.

In the circumstances we are talking about, of the football club or a pensioners' club coming back from a family outing, consuming liquor that is their own property, they are being denied access to this practice. Will the Attorney provide this Chamber, and me in particular, with the precise circumstances that must be complied with to allow those members of clubs travelling in a bus to consume their own alcohol beverages?

The Hon. K.T. GRIFFIN: I prefer not to deal with hypotheticals. If the honourable member would—

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: Just a minute!

The PRESIDENT: Order!

The Hon. R.R. Roberts: They're playing on Sunday. This is urgent!

The Hon. K.T. GRIFFIN: The question was hypothetical but the statement referred to a specific matter. What I was going to lead on to say before the honourable member in his state of excitement interrupted me was that, if he would care to give me the name of the company and the football club, I would be prepared to ensure that the Liquor and Gaming Commissioner looked to see whether, first, the company for some other reason was required to have a licence, and he would actually talk to the football club to find out what the difficulty is. If the honourable member believes that that is not appropriate and wants to have his constituents actually speak to the Liquor and Gaming Commissioner, I am sure that can be resolved.

Members interjecting:

The Hon. K.T. GRIFFIN: Obviously, if the bus company actually provided the alcohol, there would have to be a licence; but I do not know whether there are other facts. It is for that reason that I am not prepared merely to give a response based on the limited information available. If the honourable member has more detail that he would like to make available, it is a case of looking at every instance on its

merits and on its own factual situation. I would be prepared to have it examined with a view to giving an authoritative response and not merely a response to something that may not have been fully explained on the record.

CUTTLEFISH

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question about cuttlefish harvest.

Leave granted.

The Hon. M.J. ELLIOTT: Each year large numbers of giant cuttlefish gather for three months from April to the end of June on the rocky reefs at Point Lowly near Whyalla to mate and lay their eggs. The cuttlefish catches from this small area of rocky reef have risen unchecked from negligible levels only three years ago to more than 200 tonnes per year. Signs of collapse are evident this year. The giant cuttlefish is the largest cuttlefish in the world, growing up to one metre, and is found only in southern Australian waters. They are short-lived, with females potentially living for only two or three years; males may live longer.

Females come to the rocky areas to mate and lay hundreds of large eggs for one season, and then die of old age. The low numbers of eggs laid make this species highly vulnerable to exploitation and incapable of recovering rapidly (compared with some species, which may lay hundreds of thousands of eggs). The cuttlefish need hard surfaces on which to lay their eggs, so animals migrate from a wide area to Point Lowly for breeding. The loss of this breeding stock may have serious impacts over a much larger area, potentially affecting finfish stocks, which prey on cuttlefish, as well as other marine life such as dolphins and seabirds. This has been described to me as one of the most urgent marine conservation issues in South Australia. The current harvest, or any future significant exploitation, has been suggested as being unsustainable. There is concern that we could destroy this unique species before the impacts of this harvest are fully understood.

After marine conservationists and concerned locals called for an immediate moratorium on all cuttlefish fishing in the region, the Government stopped the taking of cuttlefish from the area from 11 June to the end of September, although it is worth noting that that is largely after the fishing season has finished, in any case. I understand that at this stage the moratorium is in place for only this year, although it is considered vital for the future of the stocks that a moratorium be put in place for future years to allow a better understanding of the biology of the species. Some researchers, divers and conservationists argue that in the long term there may be far greater economic value to the region in developing the site as a tourist-diver mecca. In fact, I have had the opportunity to see videos, and it really is quite stunning, both the fish and the aggregations, in much the same way as dolphins have been at Monkey Mia in Western Australia. There has been a recent increase in interest in filming the spectacular aggregations of these colour-changing animals at Point Lowly, with six film crews visiting the area. My questions to the Minister are:

1. What are the Government's plans for next season in relation to the establishment of a moratorium on the taking of cuttlefish from the area?

2. Will the Minister introduce a permanent seasonal moratorium on the taking of giant cuttlefish by commercial fishers?

3. Will the Minister examine the protection and promotion of the area's tourism potential?

4. What other measures is the Minister willing to introduce to ensure that this amazing natural phenomenon remains for future generations?

The Hon. K.T. GRIFFIN: I will refer the questions to my colleague in another place and bring back a reply.

ROAD TRAINS AND SEMITRAILERS

In reply to **Hon. G. WEATHERILL** (18 March).

The Hon. DIANA LAIDLAW:

1. Concerns regarding multiple log books will be largely overcome by the national truck driving hours package which was approved by Australia's Transport Ministers in January 1998. This reform includes a new national log book.

Under the national scheme, log book numbering will be reconciled with driver licence numbers anywhere in the country. Each driver will be able to have only one driving licence—and only one log book will be able to be registered as valid through its link to the licence number.

It is proposed that—

- any log book reported as lost, stolen or destroyed will become invalid immediately a new book is issued;
- Road Transport Inspectors and Police will be able to check this information from anywhere in Australia through information exchange provisions; and
- heavy fines will result from misrepresentations involving log books.

Appropriate legislation is expected to be introduced in the Parliamentary session commencing October 1998.

2. Road Trains and B-Doubles are inspected annually by Transport SA, except where such vehicles are included in an accredited alternative compliance scheme equivalent to the Maintenance Management module of the National Heavy Vehicles Accreditation Scheme. 'TruckSafe' is one such scheme.

Alternative Compliance in Heavy Vehicle Maintenance Management requires a trucking company to have a quality assurance business system to ensure that the vehicles are fully maintained in a roadworthy condition. The business system and the condition of any vehicle is subject to an audit process.

Federal Interstate Registration Scheme (FIRS) vehicles registered in South Australia are also inspected annually as required by Commonwealth law.

3. The load rating, suitability and condition of towing pins and chassis of heavy vehicles are checked by Transport SA inspectors at both programmed and random inspections. A physical check of towing arms for cracking and other evidence of deterioration is also conducted. If potential safety concerns are detected, the vehicle is defected.

Heavy vehicle trailers are required to be designed and built to satisfy Australian Design standards, which include fatigue provisions. If towbars are designed in accordance with these accepted engineering methods and standards, cracking should not occur.

(Steel, as used in towbars, does not undergo 'massive change', nor does it 'crystallise' as suggested. Metal fatigue can occur in extreme circumstances. This would commence as microscopic cracking at a location of stress concentration on the surface of the metal. Initially, such cracks cannot be detected by eye. In continued service, any fatigue cracks will become detectable at inspections).

From 1 July 1998, only accredited road train operators are permitted to operate between Port Augusta West and the northern industrial areas of Adelaide, and enforcement of road train maintenance, safety and speed has increased to preserve the safety of all road users.

To further improve the safe operation of road trains into northern Adelaide, from 1 September 1998 drivers of road trains operating south of Port Augusta West will be required to pass a prescribed medical examination every three years, if up to 49 years of age, or annually, if 50 years old or older. Drivers will be required to carry the completed medical examiner's certificate when driving and present the certificate to a road transport inspector or police officer if requested to do so.

JAMES CONGDON DRIVE

In reply to **Hon. SANDRA KANCK** (2 July).

The Hon. DIANA LAIDLAW:

1. No. The warrant for a pedestrian actuated crossing stipulated in Australian Standard AS1742.10 is used only as a guide to determine if installation of such a facility is justified. Other factors such as the type of pedestrians crossing in a given area are also taken into consideration. The needs of the three most 'at risk' pedestrian groups, ie young children, the elderly and people with disabilities, receive increased and more explicit recognition. This is achieved by weighting their observed numbers in pedestrian surveys by a factor of 1.5.

The Code of Practice for the installation of traffic control devices in South Australia actually uses a lower warrant than that used in other States for a pedestrian crossing. This enables Transport SA to better meet the needs of pedestrians as this crossing warrant requires fewer pedestrians to be present in the area for the warrant to be met.

Transport SA has installed pedestrian crossings where the warrant has not been met if there have been other compelling factors, eg problems with sight distance or where a retirement village or school is in close proximity.

2. An objective warrant does need to be applied to balance both the needs of pedestrians and motorists and to help define which of the many requests for pedestrian crossings should receive approval.

Transport SA also gives consideration to providing alternative pedestrian safety measures wherever a pedestrian crossing can not be justified, eg a pedestrian refuge in a road without a central median, or a pedestrian walk through and hand rails in a road with a central median. Therefore, I am confident that the current assessment procedures are adequate.

3. I have given an undertaking to attend this site.

GENETIC MANIPULATION

The Hon. T. CROTHERS: I seek leave to make a precied statement before asking the Minister for Justice a question about genetic manipulation, research and the law.

Leave granted.

The Hon. R.I. Lucas: You're living testimony, TC!

The Hon. T. CROTHERS: At least I'm alive; that's more than what I can say for the 10 members who face me opposite. In framing this question I recognise that so widespread is the subject matter it could possibly touch on many other ministerial portfolios. For instance, because of the ethics question the Minister for Health's department could well be involved; and, of course, it may not stop there. There have been many expressions of opinion by experts in the field of genetics and associated areas. For instance, it is asserted by some that, because life forms in all their diversity took millions of years to reach where they are now at, they should not be interfered with at all, because if the scientists have got it wrong it may take thousands of years before the genetically manipulated error manifests itself.

Some who hold that viewpoint refer to the overuse of antibiotics over about the past 50 years or so and assert that such overuse has led to a very much speeded up process of viral mutation. There are equally many arguments about ownership of intellectual property in the scientific field. Some scientists hold the view, which has, it appears, gained some force, that because multinational companies are getting bigger and bigger, and irrespective of what laws, rules and regulations governments may pass, the very size of the companies in question will place them beyond the reach and control of any government. Therefore, my questions to the Minister are as follows:

1. What structures, if any, have been set up by the State and Federal Governments to oversee these genetic sciences?

2. What structures, if any, have been set up by the South Australian Government to oversee these genetic sciences?

3. Will the Minister report to the Parliament on any currently ongoing State Government project of oversight or ongoing action germane to the main points contained in my opening statement preceding these three questions and, if not, why not?

The Hon. K.T. GRIFFIN: I will have to take some advice on that. It is an area mainly within my area of responsibility but other Ministers will be involved. I will undertake to have some work done and bring back a reply in due course.

GAMING MACHINES (GAMING TAX) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 July. Page 1087.)

The Hon. NICK XENOPHON: This Bill leaves me facing a conundrum: whilst I strongly support measures that will increase the gaming tax rate on hotels, particularly those hotels with a higher level of net gaming revenue, I am deeply concerned that, in the absence of other measures that will address levels of gaming machine losses and addiction, this Bill will simply reinforce the notion that the State Government has become the State's number one jackpot junkie. I support the increased levels of gaming tax on hotels, because those hotels with higher levels of net gaming revenue appear to have an ability to pay more tax by virtue of their privileged financial position.

In most instances, the granting of a gaming machine licence has proved to be a licence to print money for the some 400 hotels that now have gaming machines. The reliable information that I have received from those within the hotel industry is that many hoteliers did not foresee the windfall profits they would make with gaming machines on their premises. I understand that the financial budgets prepared by accountants for hoteliers prior to the introduction of the machines in 1994 estimated in most instances returns on investment that easily have been exceeded in some cases by a factor of three or four. Indeed, two days ago I spoke to a hotel proprietor from a small community in regional South Australia who has held out installing poker machines because he is concerned over their impact but who was told regularly by fellow publicans in other towns that he is a mug for not installing them, because pokies are 'money for jam'.

I see these tax increases as being equitable, particularly when in 1987 the Australian Hotels Association, in a letter to members of Parliament (co-signed by the recently resigned Executive Director, Mr Ian Horne), opposing the proposed introduction of poker machines into clubs only, said:

> There is little doubt that the poker machine issue will be raised again during this coming session of State Parliament by those seeking a privileged financial advantage in the community. . . This form of impulse gambling will only result in even more competition for the already stretched leisure dollar. Advocates of poker machines argue that they are necessary for the survival of licensed clubs and quote impressive profits to support their argument. However, they fail to point out that to attain such profits the turnover of each machine must go far beyond the gambling budget of the average club member or guest.

The letter also endorses the views of the Wilcox inquiry into poker machines in Victoria in 1983 which the Hotels Association then called the 'most probing and reliable study into all aspects of the poker machine industry'. The inquiry found that 'under any scenario crime will increase' and,

further, that small businesses would be impacted and if there was an increase in employment it is stated that those jobs may be at the cost of jobs elsewhere. I believe that the increased taxes on hotels are justified and fair and that there is scope for further tax increases on those hotels with net gaming revenue well over the $1 million per annum mark. I understand that there are venues which have net gaming revenue in the region of $1.5 million to $2.5 million, although, despite inquiries I made previously, I have not received those figures from the Treasurer.

That really must be money for jam, particularly for those venues whose net gaming revenue is in the vicinity of $2 million. To say, as the Hotels Association says, and as apologists for the gaming industry say from time to time, that pokies publicans are just struggling small businesses, is something that requires a reality check. My sympathies are for the small businesses throughout the State that have been hurt by the unlevel playing field since the introduction of poker machines and for those small businesses that cannot compete with the subsidised meals and drinks of poker machine venues. By virtue of their exclusive franchise to have poker machines, the hotel industry has been delivered a massive windfall. For those pokies publicans, in particular the pokies barons, to cry crocodile tears over those increases ignores not only their privileged financial position but the negative impact their industry has had on the community.

I have some sympathy for the sporting and community clubs that have been given tax concessions by this Bill. I see that as fair and appropriate, and I have consistently preferred—because of its community impact—that poker machines be in clubs rather than hotels, although I hasten to add that I believe the fewer pokies in the State the better. While I support the changes in the tax rate, I am bitterly disappointed but not surprised that the Government has not also announced a package to spend the increased revenue from gaming machines on a package to increase funding for gamblers support and rehabilitation services and to encourage community awareness of the social and economic impacts of gambling in this State.

Ultimately, the long-term solution to reduce the impact of gaming machines is by reducing the amount lost on those machines and, at the same time, limiting their availability and accessibility. Whilst the gaming machine tax on venues is, at one level, a progressive tax, ultimately, for those who put money into the machines in the first place, in too many instances it is the worst form of regressive taxation. This is something with which I hope members will grapple during the next few months when they take the opportunity to consider changes to the Gaming Machines Act.

The Hon. A.J. REDFORD: I will be brief. This is a monetary or a financial Bill, therefore it would be inappropriate for any vote to be taken against its regime. However, it seems to me that it is somewhat disappointing that the agreement about this tax regime, which was made by the Treasurer's predecessor, has been broken as a consequence of this legislation. We face a difficult fiscal task in respect of the management of the South Australian budget, but I hope that, in future, when Governments enter into arrangements, those arrangements are adhered to.

I listened to the Hon. Nick Xenophon with some degree of interest. I do not purport to say that I have greater knowledge than he on this subject. This is the only issue upon which he was elected to this place, and with his resources and staff and undoubted energy he has developed a broad knowledge of this industry. It seems to occupy his mind almost entirely except when on every occasion a vote is called in this place he has voted with the Australian Labor Party.

The Hon. Nick Xenophon indicates that the taxpayer or the State is the biggest junkie in relation to poker machines. I do not dispute what he says, however what concerns me when he criticises revenue raising measures is how would he respond to the removal of the $174 million from which the State budget benefits in respect of poker machine receipts. Too often, we hear interest groups say that they do not want something to happen, but no constructive suggestion is made to respond to any Government action that might support what they do.

For example, regarding the sale of ETSA, school teachers, particularly the union leadership, constantly say that we should not sell ETSA. At the same time, they say that our resources are not sufficient to properly fund the education system. When asked how they would approach our fiscal problems we hear nothing in reply. My challenge to the Hon. Nick Xenophon is that if we remove this $174 million from the State budget how would he replace it or what cuts of that order would he make to our expenditure?

I also take issue with the supposed effect on small business of poker machines. Poker machines have been blamed for all sorts of things—some quite rightly and some unfairly. I draw the honourable member's attention to the Sizzler or Bell Group of restaurants which went broke. I well recall the headlines and hysteria of the media which blamed poker machines for their demise. What seemed to escape the attention of the *Advertiser* and the writers of those articles was that the Sizzler-Bell chain went just as broke in Western Australia where there are no poker machines.

The same argument was applied when Bob Moran's company went into liquidation. He blamed poker machines for that. The report of the liquidator, which was required to be presented, contained an entirely different view of the cause of the failure of Mr Moran's business. The liquidator devoted a considerable amount of space in his report to other activities in which Mr Moran was involved and some of the business practices that he had adopted in regard to the use of his working capital. There was not one mention of poker machines.

The Hon. Sandra Kanck interjecting:

The Hon. A.J. REDFORD: Well, it is out, but it has not been published in the *Advertiser*. We all know where the *Advertiser* comes from. I am happy to provide the Hon. Sandra Kanck with a copy of a speech by the President of the AHA to the Press Council a couple of weeks ago in which a number of comments were made about the *Advertiser* and media outlets. I am sure that when the honourable member reads those comments they will bring a wry smile to her face.

The Hon. R.I. Lucas interjecting:

The Hon. A.J. REDFORD: I think the Treasurer has read that speech in which a number of comments were made about media coverage and hysteria in relation to the issue of poker machines.

The Hon. T.G. Cameron: You would expect him to say that.

The Hon. A.J. REDFORD: There is no doubt that there is a problem. I look forward to the Social Development Committee's report. I am sure that it will be a considered report. I hope that the committee deals with the facts and does

not make the sort of alarmist statements to which we have become accustomed from various elements within the media.

The Hon. Nick Xenophon has said on a number of occasions that a Bill will be introduced in this place. At different times he has indicated a time frame, but I look forward to seeing the Bill. I look forward with a great deal of interest to see how the honourable member aims to reduce the amount of money gambled and the availability of poker machines; whether there is to be a reduction in the number of poker machines; what sort of compensation might be paid to those whose revenue and livelihood will be affected; and, most importantly, how he will fund the losses to the State revenue that might arise from his reforms. I commend the Bill.

The Hon. P. HOLLOWAY: I wish to make a few brief comments. My colleague the Hon. Carmel Zollo eloquently placed on record the Opposition's position on this Bill earlier this week. The Opposition does not necessarily agree that this is good legislation, but it accepts that the Government has the right to have its budget passed by the Upper House. There is one aspect of this Bill that I wish to raise. The Bill gives effect to one of the major increases in revenue for the Government in this budget, that is, an increase in the rate of tax on gaming machines on the top two tiers from 40 per cent to 43.5 per cent and 45 per cent to 50 per cent, respectively. The sweetener in the legislation is the reduction of 5 per cent on the threshold rate for clubs and community hotels.

I welcome that measure. I always thought that it was a pity when the original gaming machine legislation was introduced into Parliament that it was packaged in such a way that it relied upon an agreement between clubs and hotels that they would be treated equally. I always felt uneasy about that, and I am glad that at last it has been possible to untangle that nexus. However, I digress.

My real fear with this Bill is that this is now the third tax increase on poker machines in 13 months. Because this measure also retains the .5 per cent tax surcharge which was to recover the guaranteed tax take in 1996-97, even though the total take from poker machines has now escalated beyond anything envisaged back in 1993 when the legislation was enacted, this means that we now have a very high effective marginal rate of tax on poker machines.

The fear that many in the Opposition have is that if this tax goes beyond a certain measure it could be counterproductive in terms of the impact on revenue. In particular we are concerned that this rate may become so high that there will be a downturn in investment in the hotel industry.

One of the reasons why I supported gaming machines in 1993 was that the hotel and hospitality industry at that time was in fairly difficult straits for a number of reasons, including the general economic conditions but also changes to random breath testing and so on, all of which had an impact on traditional hotel trade. I was certainly one of those members who saw the introduction of poker machines as a way in which this industry could be given a lift, and there is no doubt that it has worked. A lot of the economic and employment growth within this State over the past five years since the introduction of the machines has come from this sector. We must be careful that we do not increase rates so high that we put that at risk.

During debate in the House of Assembly on this measure, a number of my colleagues from Ross Smith, Taylor, Lee and Reynell all gave examples of examples of hotels in their areas where the increase in taxation was causing publicans to reconsider their investment plans. That is the great fear that many of us in the Opposition have about the increase in taxation—that it might reach the stage where it puts the recovery of the hotel industry in jeopardy.

Given that we have had these three increases in the past 13 months, I would ask the Treasurer whether he can now give a guarantee that during the remainder of his term there will be no further increases in this taxation on the hotel and industry as far as gaming machines are concerned.

The Hon. R.I. LUCAS (Treasurer): I thank members for their indications of varying degrees of support for the legislation. Given that we have a number of important matters to address this afternoon, including the Appropriation Bill and the Police Bill—and I understand there are a number of members who have important contributions and also a number of members who do not want to come back this evening—I will not respond in detail to a number of the issues that have been raised. There will be many other opportunities for me to repeat my views on gaming machines matters. In particular, I am sure that Mr Xenophon's much awaited legislation is not too far around the corner for us to contemplate and debate.

I would respond to one issue raised by the Hon. Mr Holloway; it is indeed a fair question. The Government is discussing this issue with the Hotels Association at the moment. Speaking as the Treasurer and one member of the Government, I take the view that, having had three increases in three years, it is reasonable that in discussions with their financiers and bankers the hoteliers as businesses should have some reasonable expectation of what might happen over the next three or four years. The Government is in an advanced stage of considering its position in relation to that. I have sympathy for the idea of giving some degree of comfort to the Hotels Association about there being no further changes over the coming period. Ultimately, that will be driven by decisions that the Parliament will take.

The Hon. Mr Xenophon has been urging an increase in the tax rate to 70 per cent, so I imagine that that is likely to be reflected in his forthcoming legislation. I am not sure what the equivalent tax rate for clubs will be; if it is relative, it may well have to go up to about 50 per cent or 55 per cent, but I guess that—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: I didn't say you said that: I said that, if the hotels are to be taxed at 70 per cent, I cannot imagine what the relative rate would be for community hotels and clubs. I await with interest the Xenophon package in relation to taxation levels for clubs and community hotels if the hotel rate is to be 70 per cent. I hasten to say that I do not know the honourable member's attitude towards clubs, but I do know that he has urged a rate of 70 per cent in relation to hotels.

Again, my view would certainly be that that would be too punitive a level of taxation for any industry, even the hotel industry in relation to gaming. But that will be a matter for Parliament to debate when the Hon. Mr Xenophon introduces his legislation if indeed it includes that provision for a 70 per cent tax regime for hotels.

I will leave it at that. We are in an advanced stage. I do have a degree of sympathy for the view that the hotel industry should be given some certainty about the Government's attitude. Of course, we cannot indicate the attitude of the Labor Opposition, the Democrats or the No Pokies representative in this Chamber, the Hon. Mr Xenophon.

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

POLICE BILL

Adjourned debate on second reading.

(Continued from 21 July. Page 1052.)

The Hon. P. HOLLOWAY: When we were debating this Bill earlier this week I pointed out that the Opposition would seek some delay in the finalisation of this Bill until the Government had finalised negotiations between itself and the Police Association in relation thereto. I pointed out earlier this week that the Opposition had many concerns in relation to this Bill, as indeed do members of the police Force and, I suggest, the wider community of South Australia. This Bill has been widely attacked throughout the community, and I think that is for very good reasons. I believe it was that opposition, including that from the official Opposition in the other place, which has forced this Government into further negotiations with the Police Association, and no doubt that has led to a number of the amendments that have been tabled in this Chamber by the Minister for Justice in the past few days. The Opposition will be having further discussions with the Police Association and others concerned with this Bill and when we come to the Committee stage when next we sit we will make plain our position.

After perusing the amendments filed by the Minister for Justice, we are pleased at least to see that the Government has recognised some of the concerns of the Police Association. However, it is likely that we will require much further amendment than this and, as I said, we will deal with that in a week or two when we return to debate the Committee stage.

There was extensive debate on the Bill in the other House and a number of Opposition members put their views on it, and I do not believe there is any need to go through it in too great a detail. However, I believe that a couple of the issues raised in that place need to be followed up. One matter pointed out by my colleague, the member for Mitchell, was that the Police Commissioner had apparently sought advice in relation to this Bill from the Strategic Development Branch of the force, and it was agreed by the Minister that the Commissioner had used external consultants in relation to this Bill.

I think that raises an interesting point. It appears that this Bill is being very heavily driven by the Police Commissioner, apparently with the assistance of external consultants, and I think that raises a number of questions. I would be very interested to know the reasons why that happened. Perhaps we should all know the reasons why it was seen necessary for this legislation to be amended at all. However, that is a more general case.

The Hon. A.J. Redford: You're opposing it.

The Hon. P. HOLLOWAY: The Hon. Angus Redford is not quite correct. I did point out the other day that, while we opposed this Bill in the House of Assembly, as a result of that opposition the Government in another place through the Minister, Mr Iain Evans, did agree on a number of occasions to go back and renegotiate particular amendments.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Well, that's right, he did it—

An honourable member: That's where he was sent when he found out he didn't have the numbers to get it through.

The Hon. P. HOLLOWAY: I make one comment about that. I am not sure that having a Bill debated in Parliament at the same time that negotiations are going back and forth is a particularly good practice. The Government should have done its negotiations long before the Bill was introduced. This is not, unfortunately, the only Bill in relation to which this Government has shown a lamentable lack of interest as regards negotiating.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: If we are to digress for a moment—and the Hon. Angus Redford seems to be wanting me to digress—and look at the Motor Accident Commission Bill, for example, we find that the Government has been very tardy in negotiating with some of the key players such as the AMA. But that is another story. For the benefit of the Hon. Angus Redford, perhaps I should quote some of the comments made by the Minister in another place when he was asked a series of questions by Opposition members during the debate. He kept saying (and this is one example):

> The Police Association has raised this with me and I have given a commitment to the House and the Police Association that we will have more discussions over the next week or two to try to resolve the safety net issue.

On he goes, question after question and clause after clause. During the Committee stage of the Bill in another place the Minister kept saying that they were debating it. I suggest that that is treating the Parliament with contempt. The position that the Opposition is taking, if the Hon. Angus Redford would care to listen, is that whereas we oppose—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Perhaps the Hon. Angus Redford should listen so I can explain to him that we will not be opposing this Bill at the second reading stage. We believe that, as a consequence of opposing it in the other place, which we believe was a justified protest at the way in which this Bill had been handled, a number of changes have been made to it.

To facilitate discussion on the Bill we will not oppose the second reading. However, we will have further discussions during the coming week and will undoubtedly have some of our own amendments and deal with those of the Government when we go into Committee. I am continuing the debate, having sought leave the other day, so that we can wrap up the second reading debate and get on with finalising our position in relation to those matters.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: I am not quite sure what the Hon. Angus Redford—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: I would have thought it was fairly plain. The Hon. Angus Redford seems to have some difficulty understanding that it is this Parliament that must ultimately determine the legislation and that it is not unreasonable, I should have thought, that this Parliament would know the position of the significant players. What we are talking about here is a Bill to amend the Police Act—relating to one of the most important institutions within our community. It is important that the Police Bill be got right and that it be the best possible Bill we can have. Given the importance of this Bill, we believe it is entirely proper that we should get some answers from the Government in relation to the concessions that it now makes.

Judging by the Committee stage of the Bill in the other House, it appears as though the Bill was already irrelevant in terms of decisions that the Government had made. However,

the Minister in another place chose not to move the amendments there but flagged them in this place. So I simply put on the record the disgust of the Opposition that we believe this Bill could have been handled in a much more professional way and that that would have assisted us all.

To get back to the original question with which I was dealing before I was diverted by the Hon. Angus Redford, given that the Commissioner has apparently used external consultants to assist him in the preparation of this Bill—

Members interjecting:

The Hon. P. HOLLOWAY: Well, apparently it was the case. Perhaps the honourable member ought to read—

The ACTING PRESIDENT (Hon. T. Crothers): I draw members' attention to the fact that we are not in Committee but at the second reading stage of the Bill. I ask the interjectors on both sides to cease so that the honourable member can be heard.

The Hon. P. HOLLOWAY: Thank you, Mr Acting President. I ask the Minister for Justice whether he can make that report available and, if not, why not. If he cannot make it available, can he explain to us the reasons why the use of the consultants was deemed necessary by the Commissioner. Although Opposition members could go on at length about their general concerns, most of the debate on this matter will take place during the Committee stage. Those concerns were dealt with during the lengthy debate in the other place. At this stage I remind the Council that the Opposition believes that the Bill does need fairly extensive amendment and, when we move to the Committee stage, we will put our position quite strongly on a number of these measures. We will also be raising a number of issues in relation to the debate then.

Finally, as to what the Hon. Mr Gilfillan said about the Bill the other day, I certainly agree with much of what he said about the Bill. He is entitled to an answer to many of those queries and I will certainly listen with interest to what the Minister for Justice has to say on that matter. In order to facilitate that debate, I will conclude my remarks but will have much more to say when the debate moves into Committee.

The Hon. NICK XENOPHON: After hearing the interjections of the Hon. Angus Redford, I wonder whether I should sit down immediately because, whatever I have to say, given his logic, is entirely irrelevant. I am perplexed, surprised and more than a little disappointed that the Hon. Angus Redford said what he had to say to the Hon. Paul Holloway, given the Hon. Angus Redford's very proper and strident defences of the Westminster parliamentary system in terms of allowing a fulsome debate.

The Hon. A.J. Redford: You've totally missed the point.

The Hon. NICK XENOPHON: I have totally missed the point? It seems that many of us in this Chamber have missed the point with the Hon. Mr Redford.

The ACTING PRESIDENT: Order! I just point out to the Hon. Mr Xenophon that he should not pick up interjections and encapsulate them in a second reading speech.

The Hon. NICK XENOPHON: I apologise to you, Mr Acting President. Hopefully, in three or four years' time, if I am still here and if this Council is still here, I will have learnt my lesson.

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: I am saying, 'If this Council is still here.' This is an important Bill and a matter of some contention. I am concerned that the Police Association has been a vociferous critic of a number of aspects of the Bill, particularly in relation to the increase in the Commissioner's powers concerning disciplinary procedures; codes of conduct and employment areas; allowing the Commissioner to determine the number of sergeant and constable positions without ministerial approval; and the introduction of term contracts to be determined by the Commissioner. Substantially lowering the standards of proof for disciplinary processes is particularly contentious. I also note the views of the Police Commissioner and I hasten to add that the Police Commissioner appears to be nothing but sincere in his attempts to bring about changes that he sees as necessary to the efficient functioning and conduct of the police force.

There has been no question on the part of the Police Association as to the Police Commissioner's integrity or good intent, but there has been a question mark over how these changes will affect the morale and proper functioning of the force. I support the second reading because it seems that there will be further discussion. I understand that the parties with an interest in this matter are engaging in further discussions to bring about some form of sensible compromise. I look forward to a compromise being reached because a demoralised police force is something that this State does not deserve and I am concerned that, if the Bill is passed in its current form, it may well lead to that and that cannot be desirable.

The Hon. A.J. REDFORD: I rise in support of the Bill and I congratulate the Minister for his work and the diligence he has applied in this matter. I know that negotiations are continuing. It was interesting to listen to the Hon. Paul Holloway's contribution recently. When the Bill first came before this Parliament the ALP said, 'We are opposing the Bill.' It then had a series of members denigrate and oppose the Bill. They divided and voted against it at the second reading stage and did so again at the third reading stage. For the ALP in this place then to say that it will vote for the second reading is a backflip of Rory McEwen dimensions, I might add.

The Hon. Nick Xenophon says he does not understand my interjections. It is very straightforward. The ALP has come in under its policy as enunciated by Mike Rann: 'We will create maximum mayhem; we will oppose every initiative that this Government puts forward and, at the same time, I will go on the daily news and say I want to be conciliatory and bipartisan.' Shortly the South Australian public will wake up to the sheer and utter hypocrisy of the Leader of the Opposition's approach in dealing with Government initiatives in this Parliament. I can go through the list, if you like. The ALP has dealt itself out of the argument on ETSA. The reality is that it has dealt itself out of the debate on this issue, given its strategy. If the Opposition is going to adopt a conciliatory and bipartisan approach in dealing with legislation, I suggest it should sit down and have a good and hard look at the contribution of the Hon. Ian Gilfillan and adopt a similar approach. I congratulate the Hon. Ian Gilfillan for his diligence and constructive comments on the Bill. It was an important and useful contribution to the debate on police. Indeed, I note that the honourable member has a long interest in the area of police and associated issues and I have a high regard for his genuine commitment and views on these matters.

Members will recall that I made a fairly lengthy contribution when the police contract appointments legislation was debated in this place in November 1996. That Bill involved the process of changing the appointment and tenure of the Police Commissioner, Deputy Commissioner and Assistant

Commissioners and also dealt with termination provisions. In that speech I referred to the relationship between the Executive arm of Government and police and dealt with some of the issues that had arisen in Australia over some decades. In that debate I stated:

> The conflicts between Commissioners of Police and Governments arise from ambiguous and confusing principles reflected by laws throughout South Australia based on the so-called police independence from Government theory. Unfortunately, the debate about police independence from Government or Government independence from police has been full of furphies and it fundamentally misunderstands the nature of the Westminster system and the inter-relationship between the various arms of government.

I went through and dealt with some of the inconsistent approaches in dealing with the Police Commissioner and the Executive arm of Government set out in royal commissions such as the one conducted by Mr Justice Lusher into the New South Wales police administration in 1980, the Bright Royal Commission into the September moratorium demonstration and the Fitzgerald Royal Commission. It is interesting to note that many of the reforms contained in the Bill are not dissimilar to those reforms adopted by the Queensland Government and Parliament in responding to the Fitzgerald inquiry.

The Hon. T.G. Roberts interjecting:

The Hon. A.J. REDFORD: The honourable member interjects that there was a different starting point. There may well have been a different starting point, but Fitzgerald in his widely acclaimed and accepted report recommended changes to the Police Act and those changes were adopted by the Queensland Parliament without criticism in a bipartisan fashion. The changes contained within this Bill reflect the recommendations of the royal commission.

This Bill is an attempt to ensure that modern and flexible management structures and techniques are able to be implemented in relation to policing in this State. The ALP's attitude has been, basically, to oppose all change in a destructive and negative way. As I said, it is another example of maximum mayhem Mike's bipartisan strategy. In another place, the member for Elder gave what I could only describe as a very superficial contribution about previous examples without any reference to the Fitzgerald royal commission or the recommendations made in that commission, and sought to obfuscate and give anecdotal examples without, in any serious way, attempting to analyse what is required in a modern Police Bill in South Australia or, indeed, in Australia today. He referred to 'unusual concentration of power in the hands of the Commissioner' when, indeed, if one looks at this Bill, one will see that the concentration in the hands of the Commissioner is no different from that which applies in Queensland following the changes to its legislation as a consequence of the Fitzgerald royal commission.

It ill behoves the member for Elder, the so-called shadow spokesperson for police, to say that this is what happened in Queensland: if the Fitzgerald royal commission recommendations are adopted, this is what will happen in South Australia. It is a *non sequitur* and, quite frankly, rubbish. It is a sad day when one on this side of the House has to praise the Australian Democrat contribution made by a non-lawyer and contrast it with the contribution made by the member for Elder who, I understand, has some legal qualification.

The Hon. T.G. Roberts: He is a lawyer.

The Hon. A.J. REDFORD: Yes, he is, and that is why I am so disappointed at the lack of analysis made by the shadow Minister in his contribution. The honourable member just stood up and said, 'That is what happened in Queensland,' without any detailed analysis, not one quote from the Fitzgerald royal commission, not one statement acknowledging the recommendations of the Fitzgerald royal commission. Then to say, 'Look, I do not believe in those recommendations—

The Hon. P. Holloway interjecting:

The ACTING PRESIDENT: Order! The honourable member is entitled to be heard.

The Hon. A.J. REDFORD: I would like to make a number of specific comments about the Hon. Ian Gilfillan's contribution because it is worthy of some response. First, I do not agree with everything that the honourable member says, although I do substantially agree with what he is attempting to achieve. If I can put it in broad terms, the honourable member underestimates the effect of transparency in ensuring a lack of corruption or a lack of improper conduct on the part of police and over emphasises appeal and review processes. It seems to me that the best way to ensure that corruption does not exist in this State is to ensure that everything that occurs is done in an open and transparent way.

Historically, we have been very fortunate in the standard and quality of police servicing which we enjoy in this State, and it is to be hoped that will continue in the future. I have my theory as to why we have such an outstanding police force in this State, that is, police in this State generally reflect the community. Police in this State are not subjected to the sort of conduct, criminal activity and temptation to which police forces in other States are subjected. One might be tempted, perhaps, to bribe a police officer in another jurisdiction, but one would be pretty stupid to attempt to bribe a police officer in South Australia. So, it simply does not happen. I think part of the reason for having such a high standard in this State reflects the nature of the South Australian community.

The Hon. Ian Gilfillan dealt with Ralph Clarke's contribution very well and I will not seek to muddy that water. He referred to the importance of the Upper House in looking at the Police Bill. Given the obstructionist attitude of the ALP in the other place, where it sought to simply oppose the Bill—

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: Indeed it was. Ralph Clarke's contribution was very interesting. He said, 'Look, we do not have to worry ourselves about this. We will let them fix it up in another place.' That is from the mouth of the man who achieved enormous and significant publicity in his backflip, almost to the level of Rory McEwen's, in saying that this place ought to be abolished. It belies his level of intelligence.

The Hon. Ian Gilfillan made a comment in the context of an Upper House, that is, the recommendation of the Fitzgerald royal commission for the establishment of the CJC. When considering reforms to the Queensland Government, Fitzgerald looked seriously at the re-establishment of an Upper House which was abolished by a Labor Government nearly 50 years ago. On balance, he sought to recommend the establishment of the Criminal Justice Commission in lieu of the check and balance that an Upper House would provide. I invite those people who support the abolition of the Upper House to have a close look at what the Criminal Justice Commission costs the Queensland taxpayer compared with what the Legislative Council costs the taxpayer. I have to say that the Council comes out as a much cheaper option than the

growth of a Criminal Justice Commission. I will be corrected if I am wrong, but I think the Upper House in South Australia costs approximately $8 million a year, whereas the Criminal Justice Commission in Queensland costs about $40 million a year that does not include inquiries which cost $14 million to investigate whether or not it ought to be retained. I have to say that some of the excesses in Queensland would not have occurred if there had been an Upper House, and I am not sure that the Criminal Justice Commission has seriously or properly addressed that.

In relation to the Hon. Ian Gilfillan's contribution, I wish to deal with the issue of contracts and his statement that we should retain the ethos of the police force. Indeed, he said:

> This goes back to my earlier comments about the ethos, the working *esprit de corps* or the morale of the police force itself.

Whilst I believe that it is important to have good morale and whilst I believe it is important to establish *esprit de corps*, it seems to me that much of the management of the police force has been overly reliant upon sworn police officers to the detriment of skilled civilians. It never ceases to amaze me that some 20 years after my graduation from Adelaide University as a law graduate, I am yet to see a working police officer use a dictaphone. I think it was the first piece of equipment provided to me. In the management of the police they spend inordinate amounts of time typing up statements and things of that nature, when people are available on about $25 000 a year to provide typing, word processing and stenographic services.

I want to deal with the issue of contract employment. I know that we are looking at a moving feast and I know that there are some issues associated with this topic that are still to be resolved between the Police Association and the Minister. The issue of contract employment is important, because there are some areas within the South Australian Police Department which are deficient. I do not know them all, and I do not pretend to go through them all. But there is one area that gives me enormous concern and that is the level, standard and quality of arson investigation in this State. I often read articles in newspapers and in insurance magazines that some 70 to 80 per cent of fires in South Australia are caused by arson, yet when one reads the cause list and the crime statistics I think, on average, we have two to five people per annum convicted of arson.

I have had some personal experience in the investigation of arson and I will not go through all of them, because one is still a current matter. However, I find it abominable that we have people who have not even obtained matriculation physics or chemical qualifications being the senior investigators in arson matters, when every single academic and every single expert in this country and, indeed, overseas says that to be qualified properly to investigate an arson matter you must have an equivalent of a science degree majoring in physics and chemistry, preferably with honours. We have not had that in this State, despite numerous examples of incompetent investigation of arson matters.

I will not go into any detail, but I had cause only six weeks ago to appear in the High Court where we argued the issue of incompetent investigations and it was conceded by the Director of Public Prosecutions that the investigation of a fire was, in the case before the High Court, incompetent. These allegations have not just been around in the last six months. They have been around to my knowledge since 1980, and nothing has been done to address the matter and, if this Bill goes through, I would like to see the Police Commissioner make it a priority that he engage, on a contract basis, someone with the appropriate tertiary qualifications to investigate arson matters, and perhaps encourage police officers to obtain tertiary qualifications in this area in the meantime, so that we can properly investigate arson matters.

If the insurance industry is correct in its assertion that 60 to 70 per cent of fires are started deliberately, then one might imagine that the cost to the community of this sort of activity would be tens of millions of dollars per annum, and I would think, on that basis, would deserve some priority.

The Hon. T.G. Roberts interjecting:

The Hon. A.J. REDFORD: The honourable member interjects: I know that people look at fires with some degree of cynicism and there are some of us who would also look at assertions by the insurance companies with some degree of cynicism. But even if they are only half right, and by that I mean the insurance companies, there is an awful lot of investigation that can be done in relation to fires that are lit, and I know from personal experiences. I have been involved in three cases where the police investigated a fire and on each occasion had reasonable cause to severely and strongly criticise the police and their conduct and their standard of investigation. I had one two years ago and I have to say that, on any measure, the investigation by the police officer concerned was disgraceful and incompetent. I am not criticising him personally, because he should not have been there in the first place. There should have been someone with some degree of qualification investigating it.

The other issues I deal with very briefly are the issues of transfer and dismissal. I understand that the Commissioner, the Police Association and the Minister are also very close to agreement on that. The only other issue I wish to cover properly relates to the other Bill, but I will mention it now for the sake of convenience, and that is the Police (Complaints and Disciplinary Proceedings) Amendment Bill. I support the changing of the standard of proof to that of on the balance of probabilities. But I do so on the basis of one proviso, and that is that we need to substantially improve the way in which police misconduct is investigated and the manner in which police are treated.

I have read of numerous cases where I believe the police have been unfairly treated in the way in which matters have been investigated and I am sure that it has been an extraordinarily distressing time for some innocent police officers who have had allegations made against them and had a very slow investigative process visited upon them. It would seem to me that, with appropriate improvements to the process of investigation, the concerns expressed by some police officers about the appropriate standard of proof would be taken into account.

I have to say that in the last two or three weeks I have spoken to in excess of 20 police on this Bill and on this issue and I have not met one police officer who has indicated that they are happy with the existing standard of proof. They all want to get rid of suspect police officers out of the system. However they are all, to a person, absolutely critical of the process, and I think that ought to be seriously considered when we look at that part of that Bill. I commend the Bill to the Council.

The Hon. T.G. ROBERTS: Mr President, I rise to make a short contribution in support of my colleague the Hon. Paul Holloway and to answer some of the criticisms which we could not answer by way of interjection due to the very stern advice of the Acting President in your absence, Sir. The

honourable member's position was very critical of the Opposition. The honourable member either is sadly misinformed or he likes travelling under misapprehensions to match the written presentation of his case, because when he moved off his written draft and he was in informal mode he had a contemporary understanding of the facts. In an informal mode he had caught up to the contemporary facts by which he should have been presenting his case, but unfortunately his written submission on the presentation of support for the Government's position was obviously written some days ago. It may have reflected the Opposition's position—

The Hon. A.J. Redford: Did a backflip.

The Hon. T.G. ROBERTS: No, there is no backflip. The Opposition's position is as a result of the Government's inability to get a draft Bill into the hands of those stakeholders that need to be consulted.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: There is no backflip in this. It is a matter of process and if the honourable member wants to listen I will explain. The Government has now been in for almost five years. Normally a draft Bill goes out to all the stakeholders for comment and for negotiations. It is quite obvious in this case and in the case of many other Bills that have arrived in the Legislative Council that the negotiations required to get to even a reasonably close position between those stakeholders have been far adrift in some cases. In this case, this Bill was not going to be supported by the Opposition in the Lower House because of the negotiations that were still continuing at the time when the Bill was introduced.

We have a lot of sympathy for parliamentary draftspeople and for all the stakeholders concerned who are in a state of flux when dealing with what ultimately will be the final position of a Bill as it arrives in the Legislative Council. Normally, you try to get a consensus between all parties where there is an agreement to agree on all those matters or agree to disagree. Then, hopefully, you can have a minimum amount of amendments in this place whereupon the draft Bill, the final Bill and the negotiations are completed in the Lower House—otherwise it gives the Legislative Council a bad name. If drafts of amendments to legislation appear up here, it appears as though the Legislative Council is the blocking arm of the legislative process when, in fact, it should be the Minister's responsibility to get those Bills knocked into a reasonable shape before they are dealt with here so that there is not the long, drawn out amending process that occurs, as with this Bill.

I understand that there are two other Bills before us where those sorts of negotiations are continuing. In some cases, with goodwill Ministers withdraw and say that they will bring back that Bill a little later, that we will go through the negotiating process and, yes, the Opposition's points are fair and reasonable. But, in the case of the Minister, the Minister has made some acknowledgments in the Lower House that he has not got it right and that he is prepared to take it back and re-negotiate around some of the principles. Certainly, in respect of some of the criticisms raised by the honourable member in relation to comparisons with the Queensland circumstances, the shadow Minister in the House of Assembly did quote the Royal Commission's position in relation to why some of the clauses were drawn up.

Some lessons have been learnt from other States in relation to the formation of this Bill, but South Australia's starting point is not from a Parliamentary corrupt process, as existed in Queensland where a number of Ministers were gaoled for a whole range of reasons. The separation of powers was not understood clearly by a lot of people in Queensland. I am not sure whether that has something to do with the fact that Queensland has no Legislative Council. But there was one bicameral system, one system of Government, one set of Ministers who did not understand what separation of powers meant and corruption in the Queensland police force that was endemic.

The Hon. L.H. Davis: Exactly. So, you're against your Labor Party platform.

The Hon. T.G. ROBERTS: No. If the honourable member had heard all my contribution he might have understood the continuity of my statements. Because of the lateness of the hour and because other members would like to make contributions, I will not even bother to explain. When members speak in support of the Minister for Justice as he takes carriage of this Bill I hope that their contributions line up with the facts in relation to what is the Opposition's position. The Opposition is interested in getting a Bill that the—

The Hon. A.J. Redford: What will it be next week?

The Hon. T.G. ROBERTS: If the position of the police union, Peter Alexander, the Police Commissioner and the Government is a lot closer than it is now, the Government might be surprised about the role and function the Opposition takes in relation to debating this Bill. But when the Minister introduces a Bill, when he cannot agree to the form in which it ought to be moved and when he wants to draft amendments while Opposition spokespeople are debating the Bill, it makes it very awkward to get some consensus about what you are agreeing to. Members opposite should take note of that.

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indications of support—at least for the second reading of this Bill. A number of matters have been raised, and I will endeavour to address all the significant issues. If I do not deal with them all, I can indicate that we will pursue the remaining matters during the Committee stages. I want to pick up the Hon. Terry Roberts' observations, because I think that he has been making a quite unfair criticism of the Minister in another place and also some very broad, sweeping statements which are not born out by the facts. This is a Bill of 72 clauses and two schedules. There are now amendments to five clauses on file, and there are three pages of amendments. That does not suggest to me that the Minister has got it wrong.

The Hon. T.G. Roberts: I didn't say it like that.

The Hon. K.T. GRIFFIN: You did. Check the *Hansard*.

The Hon. T.G. Cameron: Your hearing is a bit faulty sometimes; you have misheard me on a couple of occasions.

The Hon. K.T. GRIFFIN: When we check the *Hansard*, if I am wrong I will acknowledge that I am wrong. The Hon. Terry Roberts said that the Minister has an obligation to get the Bill in order and, as I recollect, he said that the fact that there are so many amendments and the fact that, while the matter is being debated, this is an issue upon which there will be an amendment in another place indicates that he did not get it right. All that I am suggesting in response to that is that a Bill of some 72 clauses with two schedules where we now have amendments to five clauses on file does not indicate that the honourable member's assertion is correct.

The Hon. Angus Redford indicated, more in relation to the Police (Complaints and Disciplinary Proceedings) Amendment Bill, that we ought to be looking at the process in relation to complaints. There is no difficulty with an acknowledgment that that is necessary from time to time and that the

substance of the burden of proof issue, which is reflected in the amendment, is not an issue about which anybody can sensibly take major issue.

In his opening statement today the Hon. Paul Holloway said that the Bill had been widely attacked by the community. I must say that, from what I have seen in the public media and from other representations, the Bill has been attacked by the Police Association. It has not been attacked by the wider community: it has been attacked in some respects only by the Police Association.

In the negotiations which have occurred between the Minister for Police and the Police Association it is quite obvious that there are only a few issues on which there are differing points of view. A number of those have already been addressed by the amendments which we now have on file. Within the Public Service one would not find wholesale, if any, criticism of this Bill, because the processes which are set out in the Bill largely reflect the processes in the Public Sector Management Act, which governs the status, role and working conditions of public servants. To a large extent, this Bill reflects those conditions.

As I recollect, that Bill resulted from the outcome of a deadlock conference in 1995 which involved the Australian Democrats—the Hon. Mr Elliott. The Hon. Mr Gilfillan was not here at the time. This Bill reflects a number of those processes, structures and conditions which in terms of the Public Service have, as I understand it, worked well. I have not heard significant or any criticism from public servants about the way in which on a day-to-day basis the public sector management operates.

The Hon. Ian Gilfillan interjecting:

The Hon. K.T. GRIFFIN: No-one is saying that the police force is an ordinary division of the Public Service, but police officers are servants of the public and they are employed by the State.

The Hon. Ian Gilfillan interjecting:

The Hon. K.T. GRIFFIN: We are too.

The Hon. Ian Gilfillan interjecting:

The Hon. K.T. GRIFFIN: Well, you are. You are under contract to the electors, aren't you? You can be dismissed—

The PRESIDENT: Order! We are not in Committee and the Hon. Mr Gilfillan is not standing. I ask him to cease interjecting. If he wants to raise questions with the Attorney-General, he can do so in Committee.

The Hon. K.T. GRIFFIN: Members of Parliament can be dismissed summarily at an election without compensation other than a contributory pension payout at that time, depending on length of service. No complaint can be made to a higher authority about wrongful dismissal. That is it: it is sudden death.

The Hon. T.G. Roberts interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: The Hon. Mr Holloway asserts that the Bill is heavily driven by the Commissioner, supported by external consultants. I note that in the other place Mr Hanna raised an issue about outside assistance in respect of publicity and communication strategy and that the Minister said that he understood that some external consultants might be giving some advice but that he was unsure about the internal workings of how that came about. So, as I understand it, questioning in the Lower House in Committee related to communications and not to the development of this Bill.

The Hon. Mr Holloway also raised, I suppose rhetorically, why the Police Act 1952 needs to be amended at all. My response is that there has been no major overhaul of the 1952 Act or of the structures and processes within the South Australian police for the past 46 years, and that it is time for that major review, in respect of which this Bill is the outcome.

The Hon. Mr Holloway also says that there is a lack of interest by the Government to negotiate with anyone on this Bill. However, there has not been a lack of interest or will. In fact, negotiations with the Police Association have occurred, but ultimately it is this Chamber and the House of Assembly which make the decisions about what form the legislation will take. It is my understanding that on all but two issues the Police Association agrees with the Government, and that includes the amendments which are now on file.

Another point which Mr Holloway made is that the Bill concentrates power in the hands of the Commissioner. My response to that is that the Bill certainly seeks to give the Commissioner a greater level of responsibility but also to provide a greater level of flexibility for dealing with and deploying resources to ensure an effective and efficient police operation in this State as we move into the next century.

The only other point which the Hon. Mr Holloway raised and to which I wish to refer concerns his reflection upon the debate in the other place where he said that, whilst there was a debate, it appeared that, because of the way in which that debate occurred and because of the amendments which were likely to be negotiated and ultimately moved up here, the Bill was already irrelevant. I repeat my earlier response where I indicated that this Bill contains 72 clauses and two schedules and that the amendments relate to five of those clauses.

The Hon. Mr Gilfillan raised a number of matters specifically, I think, in order to try to provide some information which might help the Committee consideration of the Bill and his amendments. So, I think I should try to provide a detailed response to those issues.

In respect of clause 6, the Hon. Mr Gilfillan indicated that directions by the Minister should be in writing. It should be noted that there is now an amendment on file from me to pick up that point. We had intended to do that in any event, but the amendment will put it beyond doubt.

In respect of clause 8, the Hon. Mr Gilfillan referred to ministerial directions, suggesting that they should all be gazetted and laid before Parliament. I want to provide a little more detail in my response to this, because the issue of ministerial directions has been a vexed question for a long time in this State. I think it is important to try to put the issue into a broader context. Section 21(1) of the Police Act 1952 provides:

> Subject to this Act and the directions of the Governor, the Commissioner has the control and management of the police force.

Any directions must be laid before Parliament and published in the *Gazette*. Before 1972, section 21 provided that, subject to the Act, the Commissioner had control and management of the police force. The change was made following the 1970 Royal Commission into the September moratorium demonstration.

The Royal Commissioner recognised that the relationship between senior officers and the executive is to a great extent a matter of convention. One convention that he regarded as firmly established in this State is that in matters of ordinary law enforcement the Minister will seldom, if ever, advise the Commissioner, although he may consult with him. Clearly, it would be wrong for the Minister, by a too eager participa-

tion in crime suppression, to give rise to the suggestion that justice was being administered in a partial way.

The Royal Commissioner did not think that the Commissioner of Police and his force ought to be placed in a situation where they had to take sole responsibility for making what many would regard as a political type decision. The Minister ought to be willing to advise and direct the Commissioner of Police in any such case, to make public the fact that he has done so and to take the burden of justifying the decision off the shoulders of the Commissioner of Police and putting it onto his own shoulders in Parliament.

The decision that concerned the royal commission was whether or not the Commissioner of Police should have given demonstrators a direction to disperse. The amendment to section 21 was a crude response to the Royal Commissioner's recommendation. It is not confined to law enforcement, and it provides for directions to be given by the Governor. There is nothing in the Royal Commissioner's discussion that would require the Governor to be involved.

Some of the material to which the Royal Commissioner referred is of interest. He referred to the 1962 final report of the Royal Commission on the United Kingdom Police Force, which was of the opinion that:

> To place the police under the control of a well disposed Government would be neither constitutionally objectionable nor politically dangerous; and if an ill-disposed Government were to come into office it would without doubt seize control of the police however they might be organised.

The Royal Commissioner also referred to Winston Churchill, when Home Secretary, taking charge of the London police during the siege of Sydney Street in 1911.

Ministerial control of the police was considered in the Fitzgerald report. The Queensland Police Act 1937 provided that the Commissioner, subject to the direction of the Minister, is charged with the superintendence of the Police Force. In response to Fitzgerald, the Police Service Administration Act 1990 now provides that the Minister may give, in writing, directions to the Commissioner concerning: the overall administration, management and superintendence of, or in, the police service; policy and priorities to be pursued in performing the functions of the police service; and the number and deployment of officers and staff members and the number of police establishments and police stations.

Any directions given to the Commissioner have to be kept in a register that is sent to the Criminal Justice Commission once a year. The Criminal Justice Commission forwards it to the Chairperson of the Parliamentary Criminal Justice Committee, who tables it in Parliament.

The Wood Royal Commission also looked at the responsibility for the management and control of the police. The New South Wales Police Service Act 1990 provides that the Commissioner of Police is 'subject to the direction of the Minister responsible for the management and control of the Police Service'. At page 244 of its final report, Volume 11, under the heading 'Reform', the royal commission stated:

> In the course of round table discussions it was said that there is a recognised convention that the Minister is concerned with matters of 'policy' and not with 'operational' matters. If this is so, then it seems to the commission that the statute should reflect that situation, defining what is policy and what is operational, and providing for resolution of any overlap.

The commission went on to acknowledge at page 245 that ministerial accountability to Parliament is an important principle but that the police service should not be subject to undue political direction and that the ministerial role should be confined to one of policy. The commission recommended the enactment of a provision similar to section 13 of the Australian Federal Police Act 1979. That section provides:

> The Minister may, after obtaining and considering the advice of the Commissioner and of the Secretary of the Attorney-General's Department, give written directions to the Commissioner with respect to the general policy to be pursued in relation to the performance of the functions of the Australian Federal Police.

The position in the States not already mentioned is that in Western Australia the Commissioner is charged and vested with the general control and management of the Police Force; in Victoria the Chief Commissioner has, subject to the directions of the Governor in Council, the superintendence and control of the police; and, in Tasmania, the Commissioner of Police has, under the direction of the Minister, control and superintendence of the Police Force.

To put this in broader context, it must also be said that the Police Commissioner is also the Chief Executive Officer of SA Police and under the Public Sector Management Act is responsible for the administration of the employees under the Public Sector Management Act who operate within SA Police. So, in a sense he has a dual responsibility: on the one hand he is directly accountable to the Minister for the proper conduct of that part of the work force under his responsibility which is covered by the South Australian Public Sector Management Act; and, on the other hand, he is also the Commissioner of Police, responsible for the administration of the police officers under the provisions of the Police Act.

I turn now to the other matters raised by the honourable member. With respect to clause 10(1)(d), the honourable member asked what is meant by 'accountable, and to whom the Commissioner was accountable. 'Accountable' here has its ordinary meaning: 'bound to give account; responsible' found in the *Concise Oxford Dictionary*. The Commissioner is accountable to the Premier, with whom he has a contract, and to the Minister responsible for the administration of the Act and, through him or her, to Parliament. Clause 10 sets out the management aims and standards that the Commissioner must follow. They are almost identical to those which management in the Public Service must abide by. If a manager does not abide by these aims and standards, no doubt his or her contract will not be renewed.

In relation to paragraphs (f) and (h) of clause 10(2), the honourable member raises a question about the mechanism to ensure that the Commissioner must afford employees reasonable avenues of redress. He suggested that there appeared to be no mechanism for that and also that there is no mechanism to ensure that there is no nepotism and patronage. These are personal management practices which the Commissioner must follow. If he does not, his contract is at risk of not being renewed, or he could even be at risk of dismissal under clause 17(1)(f).

As far as nepotism and patronage in appointments is concerned, these are grounds for application for review of a selection decision under clause 53. In some instances, non-compliance with the personnel management practices may unable a disgruntled member of SA Police to take the matter on judicial review. The non-observance of some other matters listed in clause 10(2) may give rise to action under other legislation, for example, the Equal Opportunity Act and the Occupational Health, Safety and Welfare Act.

In relation to paragraphs (c) and (d) of clause 11(2), the honourable member raises the question of the requirements or qualifications for appointment and promotion and the appointment and promotion processes, saying that they

should be in regulations rather than in Commissioner's Orders. The requirements for appointments to the force are set out in regulations now—they are in regulations 12 to 17.

I suppose one should ask why anybody would want these things to be in regulations in this day and age, when more flexible and appropriate personnel management is the order of the day. I suppose one could equally say the same with respect to requirements for promotions and appointments; they are presently set out in regulations 38 to 47a. Incidentally, the Public Sector Management Act and regulations do not have anything to say about the requirements for qualifications for appointments and promotions.

The Public Sector Management Act and regulations do regulate the appointment and promotion processes. Appointments and promotions must be made only as a consequence of a selection process conducted on the basis of merit in accordance with the regulations. The regulations provide that selection processes are to be conducted on the basis of merit and must comply with personnel management standards contained in Part 2 of the Act and any relevant directions issued by the Commissioner for Public Employment. So, there is a mix under the Public Sector Management Act between the provisions and the regulations and provisions which are actually declared and implemented by the Commissioner for Public Employment.

With respect to clause 13, the honourable member suggests that the Commissioner's contract should specify that the Commissioner must meet performance standards set from time to time by the Minister which are consistent with the Act. This provision is the same as section 7(2)(b) of the present Act. The Minister cannot set performance standards which are inconsistent with the Act. The performance standards have, in any event, to be tabled in Parliament and any inconsistencies with the Act would be there for all to see and would make the Minister look rather silly if there were such inconsistencies. But, as a matter of normal law and practice, no performance standards could be inconsistent with the Act for, in that event, they would be unlawful, I would suggest.

In relation to clause 16, the honourable member states that the contracts of the Deputy and Assistant Commissioners should be with the Premier rather than the Commissioner. The model we were seeking to follow (and I think I made this point in an interjection at the time) was that we were trying to achieve some consistency with the Public Sector Management Act, under which only chief executives are appointed by the Governor. It is not clear why appointments to SA Police should be any different, and I look forward during the Committee consideration of the Bill to the honourable member expanding on his rationale for the observation he made.

In relation to clause 16(4) the honourable member says that the Deputy and Assistant Commissioners should be assured of some other appointment in the South Australian Police at the end of their contracts. Again, the point I make in relation to those executive officers is that clause 16(4) is similar to the provision governing the appointment of executives in the Public Service. I draw his attention to section 34(4) of the Public Sector Management Act.

In relation to clause 17(1)(f) the honourable member says that the Minister should not be able to terminate the Commissioner's appointment for failing to carry out duties satisfactorily. The Minister's dismissal powers, he says, should be linked to the Commissioner's performance standards. I draw his attention to the fact this provision is the same as the present provision in section 19B(1)(f).

The Hon. Ian Gilfillan interjecting:

The Hon. K.T. GRIFFIN: The honourable member says, 'There is always room for improvement.' I do not have any quarrel with that observation. The question is whether or not what he is proposing is an improvement, and that is a matter we can debate when we get to the Committee stage. The provision is also the same as the provision which applies to chief executives in the Public Service, and I draw his attention to section 12(1)(a)(vi) of the Public Sector Management Act. I think that it is not really appropriate or practical to expect that every aspect of the Commissioner's duties will be contained in the performance standards.

Clause 10 sets out the management practices that the Commissioner must follow and not all these relate to things which would be included in performance standards. In relation to clause 19(1) the honourable member says that the Commissioner should not be able to delegate to a person who is not a member of the South Australian Police. I point out that this is the same as section 53 of the current Act. The police could not operate if the Commissioner could not delegate to civilians. The person responsible for human resources management in the South Australian Police is at the moment not a member of the South Australian Police. It would be very difficult if the Commissioner could not delegate to her, and she is not the only civilian to whom the Commissioner needs to be able to delegate.

In relation to clause 22 the honourable member says that the Commissioner should have the power to consolidate ranks as well as to further divide them. While the clause does not say so, the Commissioner would have the power to consolidate ranks merely by not appointing anybody to a particular rank. In relation to clause 23 the honourable member makes the point that only lateral appointments should be on contract and for one non-renewable term. I point out to him that this is an area where we will probably disagree vigorously, but I also point out that the provision in the Bill is the same as for executive appointments in the Public Service.

The honourable member seeks an explanation for clause 26(2). It has been in the police legislation since 1936, and I suppose it is there out of an abundance of caution so that there can be no argument that the agreement referred to in subclause (1) is void for want of consideration. The honourable member expresses the view that in relation to clause 27 the probationary period should be reduced to one year, and I have an amendment on file to that effect.

In relation to clause 28 the honourable member says that he believes the performance standards of officers below the rank of Assistant Commissioners should be published in the *Government Gazette*. The Bill differs from the Public Sector Management Act in requiring the performance standards of the Commissioner to be laid before Parliament. Chief executives' performance standards are between them and their Minister. It is somewhat illogical to want the performance standards of officers below the rank of Assistant Commissioner to be published but not those of the Deputy and Assistant Commissioners. I point out that performance standards are no more than a management tool. Unless there is some requirement that how a person complied with the standards is also published making them public does not have much meaning.

The honourable member suggests that in respect of clause 29 the penalty for resigning without leave is draconian, but there is a good reason for the provision. The provision

ensures that there is sufficient time to clear pending prosecutions and make other arrangements, and as far as I am aware it is a non-issue for police. Clause 33(2), according to the honourable member, is anomalous in that a police cadet is not a member of SA Police and is not a Public Service employee. This clause repeats section 11A of the present Act. Cadets are appointed and dismissed at the Commissioner's will. It would not be sensible or practical for them to be sworn members of SA Police with all that entails, that is, independent discretion to investigate and prosecute crime, powers of arrest, and so on. Equally, it would not be sensible for them to be public servants with tenure and all the other consequences which flow from that.

In the same vein the honourable member suggests that in respect of clause 36(3) it is anomalous that police medical officers are not members of SA Police or the Public Service. Clause 36(3) repeats section 12 of the present Act. Once again, I do not think anyone would want police medical officers to be sworn members of SA Police, and I do not think anybody would really also want them to be public servants. They probably could be public servants but it may be that, rather, we would want them to enter into a retainer-like relationship for which there is no need for them to be public servants. There are issues of potential conflict and medical ethics which might put them in conflict, and for that reason the Government is quite content to rely on this Bill reflecting section 12 of the present Act.

In respect of clause 41, the honourable member makes the point that when linked with clause 66 it allows suspension without pay. He says that there should be some time limit or specific or clear guidelines to prevent undue hardship from either unconscious or deliberate abuse. This clause is similar to the present provision in regulation 30(4).

In respect of clause 43(3), the honourable member makes the point that the review of a finding of minor misconduct should be made by a person at arm's length from the Commissioner. The person is to be determined by the regulations and therefore there will be parliamentary scrutiny of the way the person is chosen. It is, I suggest, impossible to get somebody at arm's length from the Commissioner if the person is to be a member of SA Police, as he or she should be.

In respect of clause 44(2) the honourable member says that the provision will allow the Commissioner to keep ordering a new informal inquiry. Taken literally, I admit that this is so, but I suggest it is fanciful to suggest that in practice this would happen.

In respect to clause 46(5), the honourable member suggests that under the provisions in the Bill allegations of unsatisfactory performance will be reviewed only by a panel of faceless persons. I suggest that the amendments that I have put on file should now allay his fears in respect to this.

In relation to clause 47, he makes the point that there is no appeal against transfers as punishment and, once again, the amendments I have on file should allay his fears in respect of that. In relation to clause 51 he makes the point that selection processes should be contained in regulations rather than general orders and I have dealt with that in respect of my comments on clause 11(2)(c) and (d). In respect of clause 52(3) he says that the grievance procedure that must be gone through for a promotional appeal should be set out in the regulations rather than in the general orders. The grievance procedure in the Public Sector Management Act is simply that the chief executive is required to endeavour to resolve by conciliation any grievance that an employee in the unit may have in respect of his or her employment and that is section 63 of the Public Sector Management Act.

What more one could want is not clear and why it would need to be in the regulations rather than general orders is also not clear. The reason why it is in the Public Sector Management Act is to ensure a uniform procedure across the whole of the Public Service. In fact, in respect of SA Police the Commissioner can achieve this in general orders. In respect of clause 55(a) and (b) the honourable member again refers to the qualifications for a promotional position, suggesting they should be in the regulations. Again, I have already dealt with that in respect of clause 11(2)(c) and (d) comments.

Finally, the honourable member suggests that there is something wrong with clause 53. Presumably, the point the Hon. Mr Gilfillan is trying to make is that the Police Association's point is that all appointments must be made on merit and application for review of a selection decision may not be made merely on the basis that the tribunal should redetermine the respective merits of the applicant and the member selected.

The Hon. Ian Gilfillan: Don't you think it's contradictory?

The Hon. K.T. GRIFFIN: I do not think it is. We will have an opportunity to pursue what the honourable member suggests might be a contradiction during the Committee stages of the Bill. I hope that has given members some idea of the position the Government takes on matters raised by members and I look forward to the debate continuing in the Committee consideration of the Bill.

Bill read a second time.

APPROPRIATION BILL

Adjourned debate on second reading.

(Continued from 22 July. Page 1092.)

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I want to keep my remarks relatively brief in addressing the Bill and say from a personal perspective as Minister for Transport and Urban Planning, Minister for the Arts and Minister for the Status of Women that it was a particularly taxing budget exercise this year. I highlight that because no budget has been easy to compile over the past four years, and this is the fifth budget that this Government has had to produce since the election in 1993. We are still grappling with inherited debt problems but further problems have come our way since that time and some of them arise from Federal funding issues. Notwithstanding the difficult times, I would like to acknowledge the way in which the Treasurer has conducted the negotiations with his colleagues and Treasury officers with my officers in transport, arts, women and planning. Generally, we have worked as he would wish us to, in partnership, and that has made it easier to share some of the burden that all of us have had to withstand in every portfolio.

Some members like to think that I have been particularly nice, knowing that we have another budget round and the Treasurer might be nicer to me in the next budget round. If that is what they believe I am trying to achieve, I do not necessarily think I will succeed and I may have to use other tactics and strategies as well. Notwithstanding the issues that we have, one heartening matter that has kept me sustained through all of this is the hope that through this Parliament we can secure the sale of ETSA. Whether I am fighting for these issues in Cabinet and seeking to sustain budgets or whether

members opposite have the same privilege to serve in Cabinet at some time, I can only say that the budget times that we face are so difficult and they will not necessarily be easier until we rid ourselves of debt. If we can put Party politics behind us and think of the good of the State and the possibility that members opposite might one day face the same challenges as we face, they might think about some of the matters differently.

The Hon. Carolyn Pickles made a small contribution to the Bill without analysis of the issues but with some comment to which I want to respond. I speak in the debate now knowing that the Hon. Terry Cameron will probably speak about motor vehicles, charges, registration fees and CTP, which have been part of a revenue measure that this Government has had to undertake. I understand that the Treasurer will be addressing those issues in summing up the debate but I would like to point out briefly some of the omissions in the pamphlet the Hon. Terry Cameron has circulated.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: I think you should withdraw them, considering the errors you have made in the pamphlet, but I suspect you will not. You claim that an additional $10 administration fee is charged each time a licence is renewed. I hasten to add that is not correct. The administration fee for motor vehicle renewals was increased from $5 to $6 in May this year to fund credit card merchant fees—not administration fees—and it has nothing to do with administration charges, which have not increased.

Members interjecting:

The Hon. DIANA LAIDLAW: No, it is important because people want to know today, and we make it very transparent deliberately, unlike your Party did in Government, what is an administration fee, what is a registration fee and now what is the credit card merchant fee if they want to exercise that option.

A level 2 administration fee is now being applied to the issue and renewal of a driver's licence. The fee seeks to recover the cost of processing the transaction and the manufacture of the photographic driver's licence. I suspect that the Hon. Terry Cameron, even the Hon. Paul Holloway in a more charitable moment, may recognise that this Government has provided opportunities and options for motorists which they have never enjoyed in the past, including three months, six months, nine months and 12 months registration fees.

In terms of drivers' licences, we have now extended the option to motorists to apply for a driver's licence for up to 10 years. Unlike the five year driver's licence on offer before, they can now—

An honourable member interjecting:

The Hon. DIANA LAIDLAW: No, but listen. Unlike the driver's licence on offer before of only five years, you can apply for one year. People can apply for one year or any number of years from one to 10, which certainly dismisses the argument that the honourable member would wish to run, that is, up to 10 years is a means of seeking funds. In fact, we have gone back to a one year licence if that is what people would wish. Seeing the way in which people have sought with enthusiasm the three year registration period, I suspect there will be many people who will go to a one year driver's licence. If that is what they wish to do, they may do so because it is about options and choices. It is not, as members opposite would suggest, about raising money.

The Hon. Cameron's pamphlet only deals with motor cars garaged in the metropolitan area. Perhaps the honourable member does not think that the Labor Party has interest in this matter outside the metropolitan area, or perhaps he does not want to portray the full facts. Whatever the story, I acknowledge that owners with motor vehicles garaged in country areas are subject to a much lower CTP premium than their metropolitan counterparts—$170 compared with $243 in the metropolitan area.

The honourable member also fails to acknowledge that some lower income earners and pensioners are exempt from the payment of stamp duty on CTP and receive a 50 per cent concession on the registration charge. The passenger concession benefit in the metropolitan area reduces the total amount of renewal fees payable for a four cylinder motor car from $377 to $283, a six cylinder motor car from $446 to $318, and an eight cylinder motor car from $509 to $349. Pensioners in country areas will pay $73 less for four, six and eight cylinder vehicles due to lower CTP premiums in country areas, as will other owners in country areas. As I indicated earlier the Treasurer will take up some of the other issues that one can forecast the Hon. Mr Cameron will raise in his contribution.

I want to refer to the Hon. Carolyn Pickles who did acknowledge that funding in the arts budget had been 'relatively maintained' and that most organisations are pleased with their allocations this year. That is so. This Government has maintained funding in real terms over five years to the arts budget and, in particular, in the budget this year we have maintained funds at the higher level of the 1997-98 budget—and that is a very fine achievement by any count.

In South Australia, we invest about four times the sum per head of population that the Labor Party invests in the arts in New South Wales, and two and a half to three times the sum invested in Victoria. The sum of money allocated for the arts this year is $74.396 million. The Hon. Carolyn Pickles seemed to suggest that notwithstanding that success, which has been universally received well in the arts community in South Australia, all the good work may be undone by 'a rather venomous outburst this afternoon' in relation to Ms Tankard's agreement with the Australian Dance Theatre and the different working relationships to which both have agreed.

I want to say that I have never given a venomous outburst. I gave the facts and my perspective on two or three issues and, in particular, I gave the perspective of the board from whom I had asked background information to its decision. I felt it was important that that information and that decision be put on the public record because, as in every story, there are two sides to the story and I was not judging either side. I just thought both sides in terms of the debate had to be portrayed. I wanted also to put my comments on the public record in terms of my reflections on some of the issues. What is unfortunate, I suppose, with this incident is that it reflects some of the heightened emotions that one sees from time to time in the arts across Australia, but this State seems to perform particularly well in terms of emotion. One of the strengths of the arts community in this State is that the network is relatively small and is always in contact with each other. It works overtime.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: Yes, and rumours are rife. He is personal friend of Meryl Tankard and personal friends can make decisions that they would wish in the circumstances, and I accept that.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: The Hon. Terry Cameron made a reflection which has been made to me by others, that because an artist is temperamental we seem to be required to put up with that. I must say there is plenty of temperament in the arts and it is something that I have learnt to live with. But, when one is advised by the chairperson of the company that the viability of that company, which has had a turbulent history over its 35 year life, is vulnerable because of decisions being made and lack of knowledge of activities by the artistic director, you take that advice quite seriously.

The temperament of an artist is not a matter that comes into account because what is at risk is that no artists will be employed at all with that company. That is the issue on which at some stage the arts community might wish to focus. The loss of the company altogether would be an extraordinary, difficult loss. Companies in the arts have good times, bad times and chequered times and, as I acknowledged in my ministerial statement, generally the finances are precarious, but it takes extraordinary good team work in those environments to ensure that everyone profits in terms of the artistic work and financially.

I am not sure if the honourable member was being sympathetic or had a sadistic sense of humour, but at the weekend I was given *Maina Gielgud*, a biography by John Larkin. John Larkin was an *Age* arts editor at the time and is now living in South Australia. Members may recall that Gielgud was Artistic Director of the Australian Ballet from 1983 to 1996, some 13 years of service, during which time she transformed the Australian Ballet into a world-class company at the leading edge of Australian cultural expression, both home and abroad.

Her time in 1996, just 13 months ago, was fairly rough, in her terms, and in others, and it hit the front page of every newspaper around Australia for several months. Whatever one's view about the board's decision not to renew her contract, what has happened in terms of the Australian Ballet and the controversy at the time, under Ross Stretton the company has continued to prosper.

I believe very sincerely that, notwithstanding what the Australian Dance Theatre is enduring at the moment at a company level and at a personal level for many of the people associated with that company and for the dancers, if we can ensure the viability of the company and ensure that the review that has been announced of the company's legal structural arrangements are both maintained on a balanced plane and are both pursued constructively and in partnership and goodwill, there will be a long life for this company and many opportunities for a whole range of artistic directors and dancers in the future. We will all be the beneficiaries of a company that operates on such a basis.

I have been particularly pleased to see the strength of the arts in South Australia, particularly the emerging artists, arising from the recent call for project grant applications to Arts SA's new streamlined categories for arts grants. There was a 35 per cent increase in applications earlier this year and a record number of approvals for grants, with a record sum of funding—boosted of course by the Emerging Artists new investment funds that this Government announced in the budget before last. I highlight that because some people are a bit cynical, thinking that we were injecting millions of dollars more in Emerging Artists the year before the election and may get rid of it after the election. That has not been the case. The money has been maintained since the election and maintained in this budget at the same levels.

I hope that the next call for funds later this year will see an equally high level of applications, but particularly I hope that we will see the quality of applications that we found this time. I want to acknowledge the people who have been involved in the Peer Assessment Committees, as follows. The Professional Development—Leadership and Emerging Artists committee was chaired by Anthony Steel. Geoff Crowhurst, Jeri Kroll, Nicholas Milton, Kirstie Parker, Hossein Valamanesh, Linda Maria Walker and Leigh Warren have all been members, and I thank them for their skills, their devotion to their task and the fact that they have worked overtime on their job assessing the applications and making their recommendations to me. The Festivals, Events and New Commissions panel was chaired by Doreen Mellor, and members of the committee were Sue Averay, Michelle Buday, Margie Budich, Lee-Anne Donolley, James Koehne and David Malacari.

The Cultural Tourism and Export committee was chaired by Alannah Dopson, with members Jane Covernton, Jill Lambert, Susan Nelle, Sheila Saville, Robert Ware and Gerry Wedd. I note that today Anthony Steel has agreed to be Executive Producer of the Australian Dance Theatre until April next year, in terms of the programs in Adelaide and elsewhere. I will be meeting with the chairs of those various arts grants committees, led by Anthony Steel, to talk about how we can improve practices in the future and how we can address the Living Health funding issues.

It has been a great thrill to see, so quickly after the budget and the $1.5 million revolving fund provided by this Government for the South Australian Film Corporation, a statement by the Film Corporation this week that ensures that we have nine months of continuous work and four new productions in this State, and that Brink has been successful in gaining the rights to be the new cutting edge theatre company in South Australia, winning the $300 000 the State Government has made available for the second tier new theatre company.

I want to congratulate Paul Greenaway and all who have worked with him on the South Australian Living Arts Week committee. Two hundred and fifty visual artists had their work around Adelaide and the metropolitan area this week at 45 galleries, public and private, and the strength of the visual arts in this State is obvious. Last but not least, I congratulate the Adelaide Festival and Robyn Archer, with the board chaired by Ed Tweddell and the company managed by Nicholas Haywood. I applaud their efforts for the last Festival and the results released formally earlier this week, and wish Robyn Archer well, as she has brought back too many good ideas, I think, to pull together for the year 2000 program, which will be thrilling.

The Hon. T.G. CAMERON: Once again I welcome the opportunity to comment on the State budget and the economy of South Australia. From the outset I say that both the budget and the Treasurer's speech that accompanied it were disappointing. This is an ideologically conservative budget full of rhetoric, half truths and misinformation. It is a budget lacking in coherent economic policy or vision. I will begin today with a brief look at the key economic indicators, to see where the South Australian economy is after more than four years of Liberal Government. I then intend to examine a number of the important points raised by the Treasurer in his budget speech. The 1998-99 State budget was premised on a number of assumptions, including:

- the Government had no other choice because of the poor debt situation it inherited on coming to power in late 1993;

· it is a firm but fair budget for all;
· it delivers a clear vision for the future.

I will investigate each in turn, arguing that in various ways the statements made by the Treasurer are incorrect. I would like to look at the current state of the South Australian economy.

Unemployment is still above 10 per cent in South Australia while it is falling in the rest of the country. Locally, it is almost static. The trend unemployment rate has gradually risen over the past 12 months from 9.7 per cent in May 1997 to 10 per cent in May 1998. In contrast, the trend estimate of the unemployment rate for Australia has decreased from 8.7 per cent in May 1997 to 8 per cent in May 1998. If the Treasurer (or the under Treasurer) has any doubts on the figures that I am quoting, will he please let me know and I will be more than happy to provide him with the source. As with unemployment, South Australia is lagging behind the rest of the nation, where job growth has taken off in recent months. Nearly 10 000 jobs have disappeared from the State in the past five months.

The trend estimate of employed persons in South Australia was 641 800 in May 1998. This was 3.1 per cent lower than the level of 12 months ago, when it stood at 662 100. During May the trend estimate of the labour force participation rate in South Australia was 59.9 per cent, the lowest level recorded since May 1985, when the rate was 59.8 per cent. The Australian Bureau of Statistics July survey of business expectations found that companies of all sizes expected employment to fall in both the short and medium term. Employment is expected to fall .7 per cent over the next three months and by .5 per cent by the June 1999 quarter.

Business investment is the key driver of long-term growth. Here the news is modest. Business investment is increasing as a share of output nationally and locally, but South Australia lags behind the national share by a large margin. Manufacturing investment has been essentially flat, and investment in other industries has fallen away. Private new capital expenditure for the March quarter 1998 was 38.4 per cent lower than for the March quarter 1997.

Of real concern is the latest business expectation survey from economists Dun and Bradstreet. South Australian manufacturers reported that forward orders have fallen since March and show no signs of improvement. I suspect that we are still waiting for the Asian economic wave to roll through our economy in South Australia, notwithstanding the fact that South Australia is in a better position than some of the other States because of our lower levels of exports to Asian countries.

The Dun and Bradstreet quarterly report found that the rate of growth in the September quarter is likely to be the weakest than at any time in the past two years. Expectations for growth in sales, audit, employment, inventories, investment and profits all showed a large decline. Overall business profits are expected to fall by 1 per cent over the next quarter, while operating incomes are expected to rise 1.1 per cent in the short term and 2.7 per cent over the longer period. Small business is also less optimistic, expecting no change in operating income and a moderate rise on operating expenses, culminating in a 7.3 per cent profit slump.

South Australian exports: the Australian Bureau of Statistics figures show that South Australia's recent export trends are the weakest of all States. South Australia's overseas exports have fallen from a peak of $5 billion, while national exports continue to edge up. Between March 1997 and March 1998 the value of merchandise exports where the final stage of production was in South Australia fell by 2.3 per cent. While South Australia is less reliant on Asian export markets than some of the other States, economic conditions in East Asia remain a real concern. This is because any national slowdown induced by slower East Asian growth would tend to flow through to South Australia via lower interstate exports.

On the other hand, the value of imports to South Australia have risen by 18 per cent when compared to the same time last year. The major commodities imported were machinery, manufactured goods, road vehicles and accessories. I do concede the point that an 18 per cent increase on imports, particularly if they happen to be machinery and inputs into the production process, will in the longer run prove to be of value; however, it was not possible for me to get those figures.

I now refer to international visitors. The proportion of international visitors to Australia who included South Australia on their itineraries declined from 11.6 per cent in 1984 to just 6.6 per cent in 1997. Similarly, international visitor nights spent in South Australia as a proportion of total international visitor nights spent in Australia has fallen from 7 per cent in 1986 to only 3.7 per cent in 1997. South Australia has the lowest rate of population growth in Australia, rising by just 6 600 over the last year. It also has the third lowest rate of growth of all States. Population growth remains low by longer term historical standards, and this is impacting on the local economy by limiting the degree of viable dwelling investment activity in South Australia.

In general, the full effects of the Asian economic crisis are yet to be felt by South Australia, with households facing a future of slow income growth and uncertain job figures. The crisis has the real potential to drag South Australia into recession. A survey of 11 leading university economists revealed that the chances of a recession in the next two years range from 'probable' to 'very high'. I suspect that, the more we see what is going on in East Asia, the more pessimistic people will become. On the whole, the economists saw Japan's ability to drag itself from a protracted economic slump as a key factor in determining South Australia's economic fate. The economic crisis has raised concerns about the sustainability of export performance. The Asian downturns are expected to have their most marked impact on both Australia and South Australia from late 1998 to mid 2000.

The South Australian Centre for Economic Studies, in its most recent report, argued that Europe and the USA are currently under-represented as markets for South Australian goods. While exporting to these markets obviously involves some major challenges—distance and high levels of competition being two that come to mind—they do, however, represent major markets. As recent events in Asia have shown, it is dangerous to have too many eggs in the one basket.

I now turn to some of the assumptions made by the Treasurer in his budget speech. One of the assumptions he made was that the Government had no other choice. At the beginning of the budget speech the Treasurer claimed the following:

> It is now a matter of historical fact that on assuming office the Government faced the daunting prospect of a budget in which we were spending over $300 million a year more than we were earning; a State mortgage out of control and ballooning towards $9 billion; and unfunded superannuation liabilities estimated at $4 billion and growing.

The Hon. R.I. Lucas: Do you agree with that?

The Hon. T.G. CAMERON: Let me go on. The Treasurer then went on and said that we had a State mortgage that was out of control and that the lifeblood had been drained from the economy. He also said that without a financial rescue package our future prospects were bleak. I submit that the Treasurer's views in this regard are probably based on the views of the Audit Commission report of May 1994. I will run through some of that for the Treasurer's benefit.

The Audit Commission was set up by the Brown Government following the 1993 State election to undertake a broad ranging review of the State's public sector finances. The commission's terms of reference were wide ranging. The commission was required to establish the actual position of South Australia's finances, including unfunded and contingent liabilities, and the net value and the condition of the State's assets. It was also required to compare the financial performance and position of the State's public sector with that of other States; review the operational efficiency of all areas of Government; and make any other recommendations relating to the financial health of the State's public sector.

The AC report found that the South Australian post war economy was built upon a program of attracting industry to the State—not unlike the Little report. This was accomplished by offering to private industry attractions that included a relatively low cost of living, low cost housing and other infrastructure, high tariff walls and other economic protection that created a comfortable environment for manufacturers to conduct business. The report argued that previous South Australian State Governments had been able to keep charges to the private sector low, partly due to State Government policy as well as the favourable treatment the State received through Commonwealth financial assistance.

The report went on to argue that South Australia began to lose its competitive edge in the early 1970s when lower cost Asian countries began replacing European and North American countries as competitors for the State's manufacturing industries. From the early 1990s it found that the South Australian economy had declined even further due to the lowering of Australia's tariff walls, a reduction in the State share of Commonwealth financial assistance and the need to fund the State Bank financial bail-out.

This resulted in a decline in the State's population share as well as a rise in unemployment levels that were consistently above the national average. However, despite this, the report argued that South Australian Government expenditure continued to be higher than the national average. The report found that the level of expenditure on Government services required funding levels that could not be sustained into the future. I am sure the Treasurer would have agreed with that statement. The report concluded that if the South Australian community wanted its economy to grow and compete it needed to accept both lower expenditure on community services and lower levels of services in some areas.

The Audit Commission therefore made a number of recommendations to the Brown Government. First, there needed to be a cost effective approach to the delivery of Government services through greater use of the private sector. Enterprises such as EWS, ETSA, SGIC, SACON and the Housing Trust should be either commercialised, corporatised or contracted out. We can see that the Government has made some progress in that regard, in particular with the contracting out of water—not that it met with the approval of too many members of its back bench.

Secondly, the Government should aim to lift the State's credit rating to double-A plus in the short term and seek to regain triple-A status in the long term. Thirdly, the Government should adopt a financial strategy of removing the underlying deficit in the non-commercial public sector by 1997-98 and fully fund all superannuation liabilities. I am sure that I will get an interjection from the Under Treasurer if I make a mistake on any of this.

Fourthly, there needed to be reductions in public expenditure, particularly in areas of overspending such as education, health and law and order. It argued that expenditure in these areas should be kept at or below the national average through fewer services and cuts to public sector employment. Finally, there should be increased use of user pays charges to cover costs of service provision and increased charges for basic services such as water, electricity, public housing, etc. The Premier certainly took notice of that recommendation in his last budget.

The Audit Commission argued that by introducing these changes the Government would restore confidence in the community and encourage and enhance private sector business activity. However, in all essential aspects the Audit Commission would have appeared to have been comprehensively and fundamentally wrong.

I would like to make some criticisms of the Audit Commission's approach. First, I believe that the commission presented a misleading picture of the size of the public sector debt by including debt raised for capital expenditure by Government business enterprises and almost equating it with debt to fund recurrent Government deficits. In actual fact, the debt of GBEs is invested in plant and equipment that would generate future revenue streams and service those debts with few or no implications for the Government sector or the recurrent deficit.

The Audit Commission's claim that the debt situation was much worse than previously acknowledged, that in fact there existed a black hole of $10 billion primarily because of the failure to include unfunded liabilities resulting from the State superannuation commitments, was misleading. South Australia's position with respect to unfunded liability was well known prior to the commission's report, which added nothing new. I think the Arnold Labor Government had already committed $331 million to the funding of future superannuation liabilities in 1994-95; $371 million in 1995-96; and $420 million in 1996-97. This compares to the commission's advocacy of $444 million per annum from 1994-95.

It needs to be recognised that these liabilities become due when employees retire or are retrenched from the Public Service. The commission's own data suggested that the superannuation liability would peak at about 2015 and taper off from then. To suggest that these liabilities would continue to grow endlessly into the future I believe was dishonest. However, I concede—and I have always held the view—that allowing unfunded superannuation liabilities to blow out *ad nauseam* is only deferring the problem. I think all State Governments of Australia have acted correctly to try to plug the ever growing unfunded superannuation liability that existed for public servants around the country. I might add that unfunded liability is an issue common to all States except Queensland and that South Australia rated reasonably well in national terms. The Arnold Administration was addressing the issue through a plan described in the 1993 Auditor-General's Report as 'clearly prudent financial management'. That was the Auditor-General's opinion at that time.

Thirdly, I believe that the Audit Commission not only overstated the size of the State's debts and liabilities but it

also understated its assets to provide a worse impression of the situation than that which actually existed at that time. For example, land held for recreational, cultural and heritage purposes was not included as assets. Similarly, the Audit Commission valued the assets of ETSA, EWS and the South Australian Housing Trust conservatively.

Finally, the commission argued that the State Government should reassess its role in the economy and nominate enterprises or functions for privatisation or corporatisation or contracting out to the private sector. The simple fact is that the Audit Commission's findings were based on economic rationalist ideology, and therefore one could argue that the policy recommendations it contained were inevitable.

The justifications used by the Brown and Olsen Governments for their economic rational approach have been the dual imperatives of, first, eliminating the known commercial budget sector deficit; and, secondly, more rapidly reducing the State's large external debt. Let us examine both these statements a little more closely.

The Hon. R.I. Lucas: Do you or do you not agree there was a deficit?

The Hon. T.G. CAMERON: I will come back to that later.

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. CAMERON: I have quite a way to go, and I am sure that some of these questions will be addressed later. The Brown and Olsen Governments have portrayed their policies as simply being necessary in order to achieve these goals and balance the State's household budget. However, this rhetoric has actually served to disguise the substantial allocation of the structure of the State budget itself along class lines rather than being simply about balancing the budget and reducing debt.

I believe there are some fundamental flaws in the Government's economic argument. I will come back to my views about the size of the State debt later. In fact, I may well have more to say about my views on the level of State debt when we debate the ETSA Bills.

I would like to run through some material because I argue that, in respect of many of its claims to justify certain actions that it has taken, the State Government has constantly gilded the lily. First, a key component of the Government's justification of the severe cutbacks in education and health as well as the need for selling off State assets was the discovery of an underlying budget deficit of about $350 million following the 1993 State election.

The highly questionable nature of this figure was discussed by the Queensland academic, Mr Mark Robinson, who concluded that 'the $350 million figure for the overall budget deficit is simply bogus'. I found that comment in the *Financial Review* of 8 July 1994, if members want to refer to it. Mr Robinson traces this bogus argument back to the Audit Commission which, in his words 'worked overtime to make the South Australian budget balance look as bad as possible'. I had a look at it in 1994, too, and it looked pretty bloody bad to me at that time. I am not 100 per cent sure whether I agree with the statement that Mr Robinson made, but for the sake of the debate it needs to be put on the table.

Furthermore, what does the so-called underlying overall budget deficit look like if one removes the distorting influence of the payment of the superannuation debt and the concealed repayment of actual debt through inflation? Mr Robinson went on to argue that these two adjustments may reduce the $353 million deficit by as much as $200 million. I would be more than pleased to hear comment from the Treasurer on that point in his second reading reply.

Instead of addressing our economic problems through an integrated economic and social strategy for the medium to long term, the Brown Government and now the Olsen Government embraced cost cutting and public sector cutbacks combined with a sell-off of State assets as a principal means of restoring the State's economic fortunes. This approach is antithetical not only to the principles of social justice but also to developing a high wave technologically sophisticated economy in which the public sector plays a pivotal role in encouraging strategic and long-term investment and employment growth.

The Olsen Government has no coherent industry policy framework, although substantial funding has been applied indiscriminately. Millions of dollars and the provision of resources have been committed in an attempt to attract major projects and interstate or overseas investment at the expense of local economic and social infrastructure development. For example, multimillion dollar investment attraction packages have been provided to Motorola and Australis. This cargo cult approach of throwing money and other incentives at transnational corporations I do not believe has ever worked. If the practice of using investment packages to attract investment to this State involves the expenditure of public moneys, based often on wild forecasts by these companies about the number of jobs that they will provide, the Government ought to look at a system of not handing over the money or of drip feeding the company only when it reaches performance targets in relation to the number of jobs they have created.

Otherwise, we have this ridiculous position of multinationals and foreign owned companies playing one State off against the other, entering into negotiations in order to bleed as much taxpayers' money as they can which, I submit, they use in place of their own capital at times. It is a fact that all State Governments now are desperate for employment, so we almost have a Dutch auction here in Australia when it comes to these projects. One can only hope that this Government has learnt the error of its ways in some of the attraction packages that have already been handed out. I understand that about $300 million has been provided under these packages and the results in terms of meeting their employment forecasts have been abysmally poor. One could be forgiven for thinking that these corporations merely con State Governments into giving them these packages and then tear up their commitments in relation to their promises on jobs.

This point was recently reinforced by the Industry Commission report, 'State, Territory and Local Government Assistance to Industry', which argued that incentives offered to businesses to set up in a particular State rarely, if ever, benefit that State in the long run. The report argued that rivalry between States for development and jobs at best shuffles jobs between regions and at worst reduces overall activity. In the long term, cost cutting and cargo cultism will inevitably result in negative restructuring by encouraging low wage, footloose industries that compete only with developing economies, rather than the development of high wage, technologically sophisticated industries. In my opinion, the Audit Commission was a political exercise by the Government to implement its conservative economic ideology and really should be seen as such.

Another assumption that the Treasurer made in his speech was that it is firm but fair to all. On page 4 the Treasurer stated:

Mr Speaker, this budget is firm but fair. It stays firmly on the path of fiscal responsibility embraced by the Government on its election in December 1993, and it is fair in the opportunity it applies to the unemployed and those dependent on Government services.

In all fairness, I do not know how the Treasurer could possibly have said that with a straight face. He is obviously either deluding South Australia or completely out of touch with the reality of life for many tens of thousands of people in this State. The Treasurer cannot seriously expect those South Australians who are unemployed or dependent on Government services or who know someone who is to actually believe this budget is fair in the opportunity it provides.

The Hon. R.I. Lucas: What will happen if we don't sell ETSA?

The Hon. T.G. CAMERON: You are in Government, and I can recall that you are already threatening us with higher taxes and cuts in services. If ETSA is not sold they will be the only choices left open to you.

The Hon. R.I. Lucas: That's right; what are you going to do?

The Hon. T.G. CAMERON: You will have to ask Mike Rann himself what his position is. For a start, let us look at the impact of this so-called 'firm but fair' budget on the average family. The budget singles out the family home and the family car in a major tax grab—so much for this being a budget for families! The fee and charge increases will hit every family. Stamp duty on compulsory third party insurance will quadruple from $15 to $60; stamp duty on general insurance will rise 8 per cent to 11 per cent; a new emergency service levy on the family home and car is set to reap $50 million; and all other fees and charges are set to rise on average by 4.5 per cent. Pity help you if you catch a bus or take a train: they are going up by 7 per cent and we are getting closer and closer to that figure on the closure of public schools, with a further 30 public schools to be closed or amalgamated. I guess I was still right in what I said in that ad but I was just a bit out on the time frame. With increases of this size, particularly on motor vehicles, low income families in the outer southern and northern suburbs who are dependent on their cars will be the hardest hit. It is people in the southern and northern suburbs who will be hit the hardest.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: Perhaps you might like me to discuss the options in more detail when the ETSA Bills come up here; I am not sure that it is appropriate now that I am dealing with appropriation. I am actually only a quarter of the way through, so I suspect you will all be coming back tonight.

South Australians will now spend an average of 6.13 per cent of their income on State taxes compared with 6.02 per cent nationally, and I guess that figure will rise even higher. This is not even taking into consideration the emergency services levy, which is likely to strip taxpayers of at least another $50 million. Recent figures released by the South Australian Council of Social Services show that South Australians have slipped further behind the rest of the nation in average earnings. Income, employment and welfare figures show that more South Australians are struggling financially than was the case 10 years ago.

For example, figures from the 1991 census show South Australia's individual yearly income per capita to be $16 685, that is, 92 per cent of the Australian average of $18 057. But, by the time of the 1996 census, the percentage had dropped to 82 per cent, with South Australian people earning $18 057, compared with the new national figure of $22 126. I think an examination of those figures sums up what I am saying: things are not going well here in South Australia. SACOSS claims that 40 per cent of Adelaide households have an annual income below $25 000—about 60 per cent of average weekly earnings—and are classed as battlers. A total of 162 000 people are living in poverty, as defined by the Henderson poverty line benchmark—60 000 of them children. This budget is a kick in the guts to families, who will be hit with massive fee and tax increases, while the services which they are paying more for are cut back. So, there is no fairness there at all.

The Hon. R.I. Lucas: What will happen if ETSA isn't sold?

The Hon. T.G. CAMERON: I will come to that later. Let us look at education. The budget has delivered the largest blow to the quality of education in this State for many years. On top of a straight cut to the education budget of $30 million, there is an obligation by the Education Department to find an extra $25 million within its existing budget for teacher pay increases, and no guarantee of the continuation of $30 million in education programs beyond this calendar year. This represents about an $85 million blow to the quality of education in this State, and the Treasurer has forecast a further $17 million in cuts to education in the coming years. The Treasurer knows my personal views about cuts in education, because I believe that my own children have suffered as a result of it.

In the budget there is a cut of 222 staff in the Department of Education, Training and Employment. There is also to be a cut of 100 classroom teachers and 30 school closures. The savings over three years, according to the budget, include: $5.1 million by means testing for school bus concessions; $1.5 million from children's services spending, such as childcare; $8 million by closing 30 schools; $11.3 million by reducing teacher numbers; $20.4 million in funding for TAFE institutes; $38.9 million in school grants and departmental purchases; $3 million in payments to relief teachers; $4.2 million through rationalisation of bus routes; $2.5 million in adult re-entry funding; $7.5 million from special programs such as multiculturalism; and $2.7 million from the swimming program. This is not even taking into consideration the common youth allowance changes by the Federal Liberal Government in July, with the abolition of the dole for 16 and 17 year olds, which will result in hundreds of teenagers being forced to return to school—many reluctantly—and the increased pressure that this will place on teachers and services. As a result, education standards are set to fall and class sizes will rise. There is no fairness there.

In relation to the Government's plans for job creation and unemployment reduction, we now have fewer jobs in South Australia than when the Liberals first came to office 4½ years ago and 21 000 fewer jobs than when John Olsen became Premier. I hope that the Treasurer is listening to this, because I believe unemployment—particularly youth unemployment—is one of the real blights on our economic scene here in South Australia.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: Well, John Olsen has pegged his flag to unemployment. He said that the electorate will judge him at the next election on how well he tackles employment and youth employment.

The Hon. R.I. Lucas: So, do you support the employment package?

The Hon. T.G. CAMERON: I will not be distracted: I will come back to that. I want the Treasurer to listen to this figure, because I do not believe that members opposite appreciate the pain that people out there are experiencing. I suppose when one is earning $100 000 a year as I am, or $150 000 a year as the Treasurer is, it takes a while before the pain reaches people such as us. But if one is unemployed, a young person, or one of those 38 per cent of the young kids out there—and I have two of them—who are running around looking for a job, life can be pretty tough.

In May, South Australia lost 10 500 jobs. The number of unemployed rose from 67 400 to 73 900, the highest figure since November 1994. The gap between South Australia's unemployment rate and that of the rest of the nation has blown out to a massive 2.3 percentage points. Unemployment rates in some South Australian towns and suburbs are more than triple the national average, with as many as three out of 10 people out of work. Adelaide's northern suburbs have the highest level of unemployment in the State, with a jobless rate of 27 per cent, and youth unemployment, at 38 per cent, is much higher. The budget predicts the State's economy to grow by just 2.5 per cent. I am sure that the Treasurer and his assistant would know that that is not even enough to keep unemployment at the current rate, let alone reduce it.

In last year's budget the Premier predicted 1.5 per cent jobs growth for South Australia. In fact, job numbers had fallen by 2.2 per cent in the first 10 months of this year. It took South Australia to have the highest youth unemployment rate in the nation to finally kick John Olsen into action. And what has the Government done? We are still waiting. The Premier says increases in capital works spending—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: That was not bad, but we needed to go further. How can you argue that that employment package was enough when, no sooner had you released the budget than youth unemployment jumped from 30.4 per cent, I believe, to 38 per cent? We still have the problem there.

The Hon. L.H. Davis: That underlines the challenge.

The Hon. T.G. CAMERON: I will come to challenges. At the moment I am just painting a picture of what a sorry State we currently live in and how, in my opinion, if we are not careful—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: You will have to be patient, because I still have a long way to go. In my opinion, if we are not very careful, the decline in this State, which has been going on now for 10 or 15 years, will become terminal. I do not run away from the fact that something has to be done.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: I agree with that; no doubt about that. The Premier said that increases in capital works spending will create jobs. However, the capital work program contained in this budget is $48 million less than the program he announced last year. When John Olsen toppled Dean Brown in November 1996 he vowed to 'run like hell' and create jobs, but 18 months later it seems that the Premier is running on the spot. The outlook for young people is particularly bleak. South Australia's youth jobless rate has increased to 38 per cent—12 per cent higher than the rest of the nation. That is how bad things are in South Australia. Members opposite do not have to interject to tell me that something must be done. I know that something must be done. If one visits the northern, southern and western suburbs—all of the areas in which Labor holds its seats—one will see that not only is overall unemployment much higher but youth unemployment figures in some areas are running at 50 per cent. That means that one out of two young kids—

The Hon. L.H. Davis: Paul Holloway might not understand but you surely understand that if you have high debt you have less money to spend.

The Hon. T.G. CAMERON: That is obvious, and I will say something about that later. In some areas one out of two young people are out of work. From Dean Brown's 1993 pledge to create 20 000 jobs a year for a decade, the now Premier is saying that the Government is committed only to lowering the jobless rate to the national average. Following the May result he had better get a move on because he is now 2.3 per cent above the national average. If he is right, and I believe that he is—but he will be judged by his record in reducing unemployment in this State—he had better run like hell, as he promised in November 1996 when he said that he would create jobs. We have not seen very much evidence of it so far.

In an interview in the *Advertiser* of 16 May, the Premier admitted to being puzzled over the continuing high level of South Australian employment when he said:

> It is somewhat puzzling that despite the economic fundamentals being right—

well, are the economic fundamentals right?—

> we're not seeing that transmit itself into more employment. The theory used to be that if you got the economic fundamentals right employment would follow suit—we're not seeing that emerge at the moment.

It must be obvious to someone, then, that we have not got the economic fundamentals right in this State and that something is amiss.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The Hon. Legh Davis interjects and says that the State Bank did not help. I could just about quote the honourable member off by heart I have heard his comment on that so many times. I will not run away from the fact that the last Labor Government presided over a $4 billion loss in this State. If anyone appreciated what was to come following that $4 billion deficit—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: I had some idea. One could argue further that, with our budget debt sitting at $5.6 billion and our overall debt (including GREs) at $7.4 billion, and taking into account the losses from the State Bank, Scrimber, SGIC, etc., we have not paid 1¢ off that debt. Not 1¢ of that debt has been paid off. You do not have to be a mathematical genius to realise that $4 billion since 1989-90 would have grown to approximately $5 billion. If the Government does sell ETSA and gets $6 billion, and taking into account that it owes $1 billion, we will have finally paid off those old SGIC and Scrimber debts, as the Hon. Legh Davis constantly reminds us every day we are in this Chamber.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I am not even halfway through. Let me continue, otherwise it will be a long night. Let me assure members that I have no intention of beating my three hours and 20 minutes speech on the flower farm debate. The Hon. Legh Davis continues to interject. He knows how to get my dander up, so I suggest that he keeps quiet.

I want to comment about the employment portfolio. At the moment the employment portfolio is not even in Cabinet. We have a Premier who has promised to run like hell, but he has been running on the spot for more than 18 months and has worn out three pairs of Nike runners. The Premier says that

employment is the major issue in this State and that he will be judged at the next election on how well he is able to get unemployment down, yet at the moment we have not even got the employment portfolio in Cabinet. Of course, some would argue that even now it is being ineptly handled by a floundering junior Minister.

I could never understand why Bob Such was dumped from that portfolio. What other misgivings you might have had about Bob Such, he had a genuine and compassionate interest in young people. One of the main focuses of his portfolio, whilst he had it, was that he did what he could, notwithstanding being rolled by Cabinet on a number of occasions, to try to do something about youth unemployment in this State.

I think Bob Such recognises that a generation of our young people are being thrown on the scrap heap. Anyone who left school and entered the work force from about 1991-92 right up until now in South Australia has had a terrible time trying to find employment. I do not know whether anyone here has been unemployed and knows what it is like to be unemployed. I know the Hon. Trevor Crothers on a couple of occasions during his long and varied career found himself unemployed, because he has taken the opportunity to talk to me about what it does to your confidence and personality when you find that you cannot get a job.

Fortunately, I have never been unemployed, except for the first three weeks when I left high school and ran around Adelaide trying to get a job with a high profile father as a trade union secretary. It was pretty tough work. My late father seemed to appreciate the difficulties I was having more than I did, because he then came along to an interview and, surprise, surprise, I got the job. My first job was at the South Australian Gas Company when the industrial officer was Norm Sellers. He seemed to me to be a bit of a Labor man because he and my father talked politics for 45 minutes, at the conclusion of which he told me I had a job.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The Hon. Legh Davis interjects and mentions Ron Wagstaff. I will not let that go without making a brief comment. I thought Ron Wagstaff was a wonderful man. I worked for him for many years. In fact, I worked as his personal assistant, and I will take the time and trouble to tell a story about Ron Wagstaff. I am on my feet and you will not shut me up. I started work at the South Australian Gas Company as a delivery boy. My job was to get the papers and open the letters for the bosses and deliver the mail. I started right at the bottom of the ladder. A job is a job and I tackled my job with great enthusiasm, and after two weeks I got my pay. I counted it three or four times because it was the most money I had received in one hit in my life as I came from a fairly poor background. I tucked the pay in my pocket and went to do my delivery of board papers. From memory, I even dropped some off at Parliament House.

When I got back to work I went to afternoon tea but had no money: I had lost my entire first pay whilst I was doing the delivery run. About two hours later, I got a call to go and see Ron Wagstaff. He said, 'I understand you lost your pay.' I said, 'Yes, Mr Wagstaff.' He said, 'That was a bloody stupid thing to do. How did you do that?' I replied, 'I don't know.' He then said, 'What have you done about it?' I said, 'I will put an add in the classified adds in the *Advertiser* and the *News* tomorrow, so I am confident there will be a honest person out there and I will get my money back.'

He looked up at me, as he would, and handed me a little piece of paper. It was a draft to go down to the cashier. It was made out for the exact amount of my two weeks' pay. He said, 'Here, take this down to the cashier. If I bloody well find out you ever told anyone I did this for you, you will be sacked on the spot.' The good news was that a little old lady found my pay and brought it in the next day, so I was able to give Ron Wagstaff his money back. But let me tell you, he had my loyalty for every single day I worked at the Gas Company thereafter.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: You do not have to remind me about the Gas Company privatisation. My brother was a meter reader and he worked there for 20 years, but it did not take the new Gas Company management long to get rid of their meter readers. This will tell you about privatisation. All my younger brother Barry wanted to do was work. Some people would say, 'Why would you want to be a meter reader?' He was one of the four meter readers who went to the new contracting service and said, 'I will work for half your pay and I will work twice as many hours.' They would not even give him a job. He has not worked since. That is what the SA Gas Company privatisation did for me.

Let me remind members opposite that I have never supported the privatisation of any company yet. My only problem is that I have been fighting and opposing people in the Labor Party. This will be the first time that the Liberal Party will want to do it where I am directly involved. Let me go on.

The Hon. L.H. DAVIS: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. T.G. CAMERON: Before I was distracted by the Hon. Legh Davis, I was making a couple of comments about Bob Such and I will conclude that, in my opinion, we did have a Minister who not only was compassionate but also had a genuine interest in the affairs of young people. Unfortunately for Bob, he was a Brown supporter, so he had to go.

We cannot continue to lose 1 000 jobs a month as we have the past 21 months. If the Premier was serious about unemployment he would immediately take control of the employment portfolio, or give it to somebody who could do a bit better job than what is being done at the moment, and call a bipartisan job summit to thrash out a jobs growth plan for South Australia. Following the last State election, the Premier formed the Partnership for Jobs forum which was comprised of unions, employers and community groups to help battle unemployment.

However, the Premier has now downgraded the forum's fortnightly meetings to six weekly meetings and has told the participants that, in future, they will only look at single issues affecting employment. We now see how committed the Premier was to that process. There is no fairness to the unemployed there. Small business has also been bit hard. According to a local major business survey, South Australian firms have put the brakes on recruitment. The Bank SA State monitor for April found business and consumer confidence has declined resulting in a substantial fall in the number of firms taking on new employees. Only 23 per cent of the 200 business operators surveyed said they planned to take on more employees or create more work in the next three months, and fewer than half of them said they were confident about the local economy over the next 12 months.

A recent Yellow Pages Small Business Index survey also found that only 9 per cent of small business operators now believe State Government policies are helping them. That is 9 per cent. No wonder small business support for the State

Government has plunged to its lowest level in years. Not only was the South Australian Labor Party the beneficiary of small businesses' anger at the State Liberal Government, it is also my view that large numbers of small business people, who were not prepared to bring themselves to vote for the Labor Party, switched away from the Liberal Party and voted for the Hon. Nick Xenophon, the No Pokies candidate, because small business has just about had a gutful of the difficult trading conditions that they are experiencing here in South Australia.

The Hon. Caroline Schaefer interjecting:

The Hon. T.G. CAMERON: Well, the Hon. Caroline Schaefer says that has nothing to do with the servicing of debt. Perhaps I could—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: Sorry, I misheard her. Who are the winners from this firm but fair budget? Well, first, there is a small number of bureaucratic fat cats who have had their salary packages increased from between 6 per cent and 26 per cent per year. The CEO of the Premier's own department has received $28 000, or 12 per cent, salary increase, taking his package to a quarter of a million. Treasurer, you may not consider that figure to be obscene: however, the thousands and thousands of low income South Australians, who would not even earn the 12 per cent increase he received, certainly do. Then there are the consultants. The Government has spent $50 million a year on consultancy work. Some have been paid hundreds of thousands of dollars for just a few months work. A firm but fair budget? I think not, Treasurer.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: We are coming to the alternatives. The Labor Opposition recently released a 10 point plan which articulated clear achievable targets for economic growth and strategies for reducing unemployment in South Australia. I will run through a couple of those—I will not quote them all—just to refresh the Treasurer's memory.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: One of the proposals put forward by the Labor Party is to establish a single jobs commission, directly responsible to the Premier. I guess the people of South Australia would know, Treasurer, that if Mike Rann becomes Premier of South Australia he would establish a jobs commission and the employment portfolio would report directly to the Premier.

That is a little more of a commitment than the lip service that the Premier has paid to unemployment. We will also establish a centre for industry, to focus assistance on our existing industries. I will not go through all of those—the Treasurer knows only too well the 10 points in Mike Rann's 10-point plan. Until now the Olsen Government has mainly relied upon a financial strategy to achieve its economic goals. Clearly its employment policies have failed. It is time a more strategic approach to reducing unemployment was established—one that is quantifiable, has achievable targets and is capable of capturing business, union and community support.

The Hon. L.H. Davis: So, what's the answer?

The Hon. T.G. CAMERON: I have a way to go Mr Davis—we will get there. I am not a shadow Minister, so I am not sure I am supposed to be providing answers. We are in Opposition—you are in Government. I will now come to the Treasurer's third assumption and it concerns his budget statement to the economic challenges that lie ahead and requires bold and decisive action by Government. I will quote the Treasurer from page 1 of the budget speech as follows:

> It is clear that a realistic assessment of the future indicates there are significant challenges still ahead. Those challenges demand bold and decisive action by the Government. They will not go away. They cannot be dodged or denied.

Never have truer words been uttered. The Treasurer is only stating the obvious, but there is a gigantic gulf between the Government's words and its actions. The Treasurer speaks of bold and decisive action, but leading members of the Government spend their days fighting each other instead of fighting for South Australia.

Less than six months ago in a speech in this Chamber I spent some time exploring the leadership problems that have plagued the Liberal Party since it came to power and the impact that was having on South Australian business confidence. Members may recall I called on the Premier to show real leadership, to place the needs and aspirations of South Australia before the internal bickerings of the Liberal Party. I will not quote back to the Treasurer or the Hon. Legh Davis what I said on that occasion. The Hon. Legh Davis is nodding, so he can remember what I said.

I ask the Hon. Legh Davis: has anything changed? Six months down the track unemployment has risen, investment is beginning to fall, the Asian economic crisis is about to hit us like a truck, but we still have a leadership more concerned about saving their own jobs than the economic crisis that faces us. Therefore I would think it useful, cathartic even, for members opposite to once again gaze into the media mirror so they can see warts and all the results of their actions since Olsen came to power.

The destabilising campaign inside the Liberal Party started on election night last year. You would have thought that the devastating swing against the Liberals would have taught them something but, no, if anything the hatred was back seething worse than ever. For example, on Monday 13 October the *Advertiser* carried the following frontpage headline, 'Victory, then vengeance', and I quote:

> The Liberal Party is in turmoil, with threats of recriminations against the Premier, Mr Olsen, over the Party's poor election result. Liberal sources said the hunt was on for a scapegoat. Senior Liberals believe former Premier Dean Brown could be drafted by the Party if a challenge to Mr Olsen is mounted next week.

In the same edition was also this headline—

The Hon. L.H. Davis: Terry Plane, was it?

The Hon. T.G. CAMERON: I will come to the *City Messenger* a bit later, if the Hon. Legh Davis could be patient for a minute or two. In the same edition was also the headline, 'Message received loud and clear, says Premier', and I quote:

> A sobering message had been delivered to the Liberal Party by South Australians, the Premier Mr Olsen said yesterday. He accepted responsibility for the Government's poor showing, but on the question of Party unity he believed the narrow victory would focus the minds and attention of his colleagues.

It certainly did focus the minds and attention of some of his colleagues, because they have been trying even harder to replace the Premier than his opponents fought to get rid of Dean Brown. Nothing has changed: he was right on that point. Instead of focusing their minds and attention on the job at hand, most of them continued to focus their attention on the leadership of the Government. This was a point made clear in a story that appeared in the *Advertiser* of 12 November, with the headline, 'Olsen advisers counter attack'. It reads:

> A group of Liberal backbenchers has been accused by the Premier's key adviser of trying to destroy the Government. Ms Alex Kennedy, who helped mastermind the State election campaign, has

hit back at Liberal MPs calling for her sacking. She said there was a small group of backbenchers—

I think the group is a bit smaller than she is aware of—

who were absolutely determined to do anything to stuff up this Government.

Never was a truer word spoken. On page 5 of the *Advertiser* an article stated:

I think it is really surprising, accepting that disunity caused most of their problems, they are still unwilling to be unified. Have they learned nothing?

On page 19, under the headline, 'First Brown, now Olsen', the *Advertiser* stated as follows:

Tensions in the Liberal Party are at flashpoint and it will not take much to see the current brushfire erupt into a raging bushfire. A scapegoat is wanted, and the main name being mentioned is that of Ms Alex Kennedy, the Premier's senior political adviser. There have been suggestions that her head on a platter may be needed to save the Premier.

Ms Kennedy used to write for the *City Messenger*. Whilst I did not always agree with what she wrote—and on a number of occasions there were articles criticising me—I must say that I always found her articles to be fairly accurate, well sourced, enjoyable reading, and, even though she seemed to give us a lot more stick than she did the Liberal Party, I thought they were fair comment. I hasten to add that that is a far cry from the drivel that we are served up in the *City Messenger* these days that poses as political comment. A couple of weeks later, a headline in the *Advertiser* read, 'Armitage rejects leadership bid rumour' and I quote the article as follows:

The Government Enterprises Minister, Dr Armitage, has ruled out a bid for the Liberal leadership, as rumours surface of a new challenge to the Premier, Mr Olsen. The latest round of leadership speculation was fuelled by the former Premier, Mr Brown, in a newspaper interview. He was reported as saying his dumping as Premier was unjust and that it was clearly a factor in the October 11 election result. He refused to rule out a return as leader.

Four days later, in the *Advertiser* of Tuesday 2 December, there was the headline, 'A testing time'. The article stated:

John Olsen is on probation, and he knows it. One crucial mistake over the coming few weeks and his neck will be on the political chopping block. What those MPs pushing for a change now want is for Mr Olsen to stumble so badly they can 'draft' Mr Brown to replace him. With his comments last week about his 'unjust' treatment last November and his refusal to rule out a leadership challenge, Mr Brown has made it clear he is clearly waiting in the wings.

Here we are in July 1998 and where is Dean Brown? He is still waiting in the wings—but, as I understand it, getting more impatient by the week. A newspaper headline the next day read, 'Top Libs plotted against me, says Baker.' The article stated:

Senior Liberals, including former Premier Dean Brown, have been accused of being party to a political conspiracy against former colleague Dale Baker. The ex-finance Minister made the allegations in the long awaited Anderson report into his land dealings in the South-East.

Then we have a bit of a break before the headline two months later, ' Lib row brews on poll result'. It states:

The State Liberal Party faces a fresh outbreak of infighting for keeping secret a probing report into the Government's near defeat in the October election. The election inquest is understood to be highly critical of the presidential style campaign strategy approved by Mr Olsen. A high profile Liberal MP revealed to the *Sunday Mail* widespread discontent was rife within the Parliamentary Liberal Party, which he said could rekindle a pre-Christmas discontent in Mr Olsen's performance as Premier.

Nine days later there was another headline, 'Liberals hunt for Olsen successor,' under which the *Advertiser* states:

The Premier, Mr Olsen, outlined his vision for South Australia to Liberal MPs yesterday as moves began to find his successor. Liberal sources said that at both a Federal and State level senior powerbrokers were looking for a successor to Mr Olsen.

Then things really started to heat up.

The PRESIDENT: I advise the Hon. Mr Cameron that we are debating the Appropriation Bill. I cannot see that these quotes have any relevance whatsoever to the Bill. Is the honourable member getting close to finishing these quotes? I urge the him to get back to the Appropriation Bill, which he was dealing with so well in the first hour.

The Hon. T.G. CAMERON: Mr President, I still have a way to go. I put it to you that, if internal disunity, bickering and downright rebellion in the Government is not the subject of an Appropriation debate, I do not know what is, because I would submit—

The PRESIDENT: It is nowhere near the Appropriation Bill.

The Hon. T.G. CAMERON: I would submit to you that the disunity, division and infighting within the Liberal Party—

The PRESIDENT: If I just make—

The Hon. T.G. CAMERON: —has a direct bearing—

The PRESIDENT: Would you resume your seat, Mr Cameron. I ask you politely to get back on to the Appropriation debate.

The Hon. T.G. CAMERON: Then things really started to heat up. Headline: 'Liberal brawl reignites as Baker tells Ingerson to quit and go back to the pharmacy'. I will just read out the headlines, Mr President. Three days later: 'My job is safe: Premier dismisses leadership threat'. Another headline in March 1998: 'Liberals consider code of conduct'. However, somebody must have forgotten to inform the Prime Minister, because two days later there was another headline: 'PM enters Libs feud'. With friends like that, who needs enemies! Four days later the *Australian* released a newspoll. The headline stated: 'Olsen's popularity sinks to a six-year low'. Then, in May, another headline: 'A divided Party on the skids'. Two days later: 'Ingerson faces Party backlash'. Finally, the Liberal State Director said that he had had enough. Another headline: 'Libs lose State Director', but still the fighting went on. Three weeks later there was the following headline: 'Storm clouds over Olsen'; the next day, 'Liberals sharpen knives again'; the following day: 'Premier denies coup'; and three days after that: 'MP pressured to quit'. Two days later, on 11 June: 'Premier faces challenge, says rebel MP'. Three days later: 'I'm getting on with the job—Brown refuses to rule out a challenge'. One week later: 'End conflict, Libs warned'.

The business leaders, who obviously were upset about the economic situation here in South Australia, warned the Liberal Party that jobs and investment were being jeopardised by Party infighting. The business leaders in this State criticised Party infighting and said that they wanted the conflict solved. Why? Because they believe that jobs and investment in this State are being hurt. On the same day: 'New [Liberal Party] Director urges Party to heal the rift and get on with the task'. Obviously, it did not take the new Director long to realise that he was dealing with a deeply divided Party. The next day: 'State Libs advised to calm down'. Only a week later, Professor Cliff Walsh had something to say. I have a bit of time for Professor Cliff

Walsh; I had the pleasure of having lunch with him yesterday and discussing the debate about ETSA with him—

The Hon. R.I. Lucas: Did he make a lot of sense?

The Hon. T.G. CAMERON: Well, he made a lot of sense when he said this. I am pleased that the Treasurer says that Professor Walsh does make a lot of sense. The Treasurer might like to comment on this reference to Professor Walsh in the *Advertiser* on 3 July 1998, as follows:

> The Executive Director of the Centre for Economic Studies, Professor Cliff Walsh, has attacked Liberal MPs for not giving the Premier, Mr Olsen, enough support. In an extraordinary statement yesterday, Professor Walsh weighed into the current leadership tensions within the Liberals, saying the fiddling going on within the Party is potentially very destructive. . . We can't go back, we would be laughed at by the rest of the country.

I have got some news for Professor Walsh: the rest of the country is already laughing at South Australia.

The next day, Graham Ingerson was in the hot seat: 'Liberals count the numbers' and 'Ingerson's job sacrifice: Deputy Premier steps down but stays Minister', screamed the headlines. Ten days later, the headline read, 'Exit with dignity: Job swap move may ease out Ingerson'. Five days later, the headline was, 'Guilty, but no penalty', and then finally today, 'The member for backflips: McEwen vote saves Ingerson's Ministry'.

It is said that those who forget the past are bound to repeat it. I have a feeling that, in six months time, I will still be reading a long list of headlines on the future of the Liberal leadership. They just do not seem to learn. Since last October's State election there have been more than 30 headlines detailing the Government's leadership problems. That is more than one per week. Mr President, can you imagine what that is doing to the morale of the business and general community in this State? No wonder support for the Olsen Government from the business sector, particularly small business, has fallen away, when it is patently obvious that top priority on the Premier's mind is keeping his own job, never mind the state of the State.

Even Professor Cliff Walsh, an economic adviser to Premier Olsen and a firm supporter of the Government, was driven out of frustration to say this about the impact the infighting is having on economic development in South Australia:

> To my certain knowledge, several hundred million dollars worth of potential investments in South Australia have not got beyond initial assessments because expert political analysts have not been willing to give potential investors the reassurances they have wanted. The problem is not that those analysts are predicting a high probability of change of Government at the next State election [which they are] but rather that they are predicting continuing instability in the present governing Party until they are voted out of office.

I submit, Mr President, despite your refusal to allow me to go into a great deal of material that I have here about Liberal Party infighting, that if Professor Cliff Walsh is saying that Liberal Party infighting is costing investment in South Australia running into the hundreds of millions of dollars, a discussion about the impact on the South Australian economy of infighting in the Liberal Party is a legitimate item for debate on the Appropriation Bill.

A call by the Treasurer for bold and decisive action by the Government sounds pretty ridiculous when the Government does not even have the capacity or discipline to control its own internal bickering, even though this is having a disastrous effect on business confidence and therefore the economy. Before the Treasurer has the impudence to start lecturing the wider community on challenges that cannot be dodged or denied (and they are his words), he should first look at the damage that is being done to South Australia by the leadership infighting of Olsen, Brown, Ingerson and company.

Mr Treasurer, you could fix it all up in one bold move: just announce that you are prepared to be drafted for the leadership of the Liberal Party in the Lower House, and all those House of Assembly people, who are the only ones who get to vote for that, and all of whom have had a gutful of the fighting between Dean Brown and John Olsen, would draft you immediately. However (and I will not quote the headlines), the Treasurer has consistently refused to bail out his own Party by sorting out the leadership crisis and getting rid of two people who are damaging, and in a bad way, the economic security of our State.

That is the first challenge to face up to. It is no good talking about increasing taxes and cutting services. It is no good talking about selling ETSA, the TAB and anything else the Treasurer can get his hands on. The first and biggest challenge that this Government has to face up to is to sort out its own internal problems, which are costing investment in this State. That is what the people of South Australia are desperate to see happen. They want the Government to work together for the good of the State, but one wonders whether they have the guts to do it.

To conclude, the Treasurer stated in the summary to his budget speech that some people in the community and in the Parliament believe in the magic pudding approach to managing a budget. He said, 'They oppose tax and revenue increases.' Well, yes, we do when they are aimed at those in our society who can least afford to bear them. He went on to say, 'They oppose expenditure reductions.' Well, we do when the whole community suffers through falling health, education and community services, ever increasing unemployment rates, less affordable public transport, and poorer city and country roads; the list goes on and on. He went on to say, 'And they oppose asset sales.' Well, yes, we do when they are based on deceit, lies and stupidity and have been shown not to be in the public's economic interests.

The Hon. L.H. Davis: Well, what about ETSA then?

The Hon. T.G. CAMERON: The Hon. Legh Davis interjects again and says, 'Well, what about ETSA then?' I do not profess to have the financial background or the degrees in economics or financial matters that the Hon. Legh Davis has, and he is well aware that I have a high respect for his skills and expertise in this area. Again, I do not profess to have the same high level of economic, financial accounting and analytical skills as the Hon. Sandra Kanck. I certainly have not spent 1 000 hours going through all the ETSA stuff at which I have looked. I still have material to go through, but some of the available evidence that I have seen on ETSA includes briefings from the Treasurer and helpful comment from the Hon. Legh Davis. I also thank the Liberal member of Parliament who slipped 'a plan for a secure New South Wales', prepared by Michael Egan, into my box: it was extremely interesting reading.

I have also taken the opportunity to have a discussion with John Spehr on the paper that he wrote on ETSA. I read not only his summary but also the full report, which was about an inch thick. I also had a discussion with Professor Cliff Walsh. I must say that, if we have the Premier of New South Wales and the Treasurer of New South Wales, Michael Egan, arguing the sale of ETSA, and if one was to have a look at the financial situation in New South Wales—I think they are

looking at getting $22 000 billion from their ETSA and they have a State—

An honourable member: $22 000 million?

The Hon. T.G. CAMERON: Sorry, $22 000 million—$22 billion. From memory, they have a State debt of about $13.5 billion. One only has to look at the size of their economy and compare that with the amount of money we are likely to get from our ETSA sale and the $7.4 billion or $5.6 billion budget that we have in South Australia. If the case that has been made out by the Premier of New South Wales and the Treasurer, Michael Egan, to sell off their electricity assets in New South Wales is a compelling one, then one can draw their own conclusion from an economic analysis of South Australia.

The only conclusion one could come to is that the case must be more compelling in South Australia than it is in New South Wales because the economic fundamentals in South Australia are much worse than those in New South Wales. Our per capita debt is much higher, and it does not matter what economic statistic one looks at: we are performing at a worse level than is New South Wales. As I have said, the only conclusion to which I can come to date on the material at which I have looked is that it would be in the best economic interests of South Australia and its people for ETSA to be sold.

I have some more material to look at but, as I said earlier, if Bob Carr and Michael Egan want to sell the New South Wales electricity authority with a State debt of $13.2 billion and with the size of their economy—and their documented plan for a secure New South Wales does make compelling reading—one would have to be an economic idiot to come to any other conclusion, if they have made a compelling case in New South Wales, then we must have even more compelling reasons in this State for getting rid of ETSA. I am sorry that I replied to the Hon. Legh Davis's interjection because I think I might have driven him from the Chamber. He has jumped up out of his seat and he is on his way.

Overall, I believe this is a poor budget even by Liberal standards. I appreciate the economic difficulties and dilemma that we face. I have often referred to the fact that South Australia is in a financial straitjacket. However, if what I hear around the place is right, people have had a gutful of the economic decay that has probably been under way in this State for well over 10 years. The Labor Party, the wider community and the public of South Australia are not fooled by the Treasurer's pathetic attempts to shift the blame for the Government's economic incompetence to others.

The Liberal Party has been in office for nearly five years. Despite the interjection by the Hon. Legh Davis about the State Bank, etc., members opposite will not be able to hide behind that forever and a day. The leadership of this Government has stumbled from one set of disastrous set of unemployment figures to the next because they have not kept their eye on the ball. How can they when they spend so much time looking over their shoulders for the knives? I issue this challenge to the Premier and members of the Government: will you finally put an end to your bitter infighting and place the interests of South Australia before your own personal interests?

I make a plea to you on behalf of unemployed youth in this State. Put away your knives and hatchets. Our State is literally dying before our eyes, and all you lot do is squabble amongst yourselves like a bunch of children. Your real priority should be to the ratepayers and the people of South Australia. So, for Christ's sake put away your knives and hatchets and focus on the real game, which is restoring economic prosperity in South Australia and doing something for the unemployed—particularly unemployed youth.

I would like to paraphrase my plea for unity in the Liberal Party and for it to get on with the main task at hand. I make it quite clear that I do not level this accusation at the Treasurer. From my best observations he does not indulge himself in the factional warfare and battles that are taking place in the Liberal Party: that is left to other minor foot soldiers to continue. Let me tell the Treasurer that I do know a little about factional infighting and what might flow from it. So, this is a genuine plea. It is time you put away your knives and hatchets. I say this to all the Liberals in here at the moment listening to me: it is time for you to put away your hatchets.

I issue this challenge to the Treasurer in his own words: 'Mr President, I also suspect that challenge will be met with deafening silence.' I suspect that if that disunity is not put aside, silence is the last thing we will hear from the Liberal Party backbenchers as the fighting and squabbling continues unabated. Let me issue a warning from someone who has run a few election campaigns: if you do not put away your knives, you will pay an even more severe penalty at the next election than you paid at the last. At the last election, you lost 9 per cent and a record number of seats. Fortunately for you, your heartland—that is, the rural and the country constituency—stayed with you. You are in trouble there, too, now. So if you do not get your act together you might be wiped off the face of the earth come the next election.

The Hon. R.I. LUCAS (Treasurer): I had intended to make a longer contribution, but I can assure members I will shorten it to suit the appropriateness of the hour. I am sure there will be other opportunities for me to explore a number of the issues that members have raised in the Appropriation Bill debate. I will briefly respond, because, quite appropriately, Mr President, you pointed out to the Hon. Mr Cameron that some aspects of his contribution perhaps were not directly linked to the Appropriation Bill debate before us. Let me say as a member of the Government and of the leadership team, I certainly acknowledge that the responsibility rests with each member of the Government to put behind us the divisiveness, division and disunity that has sometimes been apparent within the Government ranks over the past five years. I made those comments in the lead up to the election campaign, and I made them forcefully in the days ensuing after the election losses. It is nothing new—certainly from my viewpoint, at least on that matter—to agree with the comments made by the Hon. Mr Cameron.

The Hon. Mr Cameron did well to keep a straight face when he highlighted his concerns about factions and disunity within political Parties, because tonight is not the right time. I can well recall during the mid 1980s when a number of members of the Australian Workers Union, some of whom you with be quite familiar with, Mr President—a Mr Thompson and others not too far from Keith—were actively involved in the machinations and warfare within the union, and the associated flow-on effect to the Australian Labor Party. I remember at that time those issues being raised in some detail in the media, with their flow-on effect and impact on the Labor Party and the Labor Government at the time. It certainly seems to be a problem that exists within political Parties, and it is a challenge for Governments, whether they be Labor or Liberal, to in some way manage, in the case of the Labor Party, the factions and, in the case of

the Liberal Party, the different views that exist within the Liberal Party and the broader Liberal Government.

The only other matter I want to take up from the Hon. Mr Cameron's contribution involved one of the only interjections to which he did not respond. I just want to place it on the record. He responded to most other interjections; he eventually took up the challenge. He clearly outlined the problems, and I share his concern. He spoke from the heart as a parent of young South Australians who are looking for jobs and employment in South Australia. Again, let me assure him that he is not alone with his concern about the employment problem in South Australia. Let me assure him that, as the Treasurer and on behalf of the Government, the Government is doing all it can. In the end, we will be judged in three years as to whether or not we have been successful. Let me assure the Hon. Mr Cameron that it is much easier from the vantage point of the sidelines to criticise what has not worked. The challenge for all of us is to come up with ideas and solutions as to what might work. I know the Hon. Mr Cameron too well, and he did not respond to the challenge when I asked whether he supported all aspects of the Rann 10 point plan as being a genuine solution to the problems that he highlighted.

The Hon. T.G. Cameron: I must have missed that interjection.

The Hon. R.I. LUCAS: Let me put it on the record. He was challenged by me as to whether he supported all those 10 points and whether he believed they were a solution, and he studiously kept his head down.

The Hon. T.G. Cameron: Can I go for the Lucas answer—'Can I get back to you on that?'

The Hon. R.I. LUCAS: You'll get back to me on that; that's terrific. The reason he did not respond was that he knows the fatuousness of many aspects of the Rann plan forming commissions and committees and having summits. The Hon. Mr Cameron has been around for long enough to know that that is just fluff and political rhetoric to gloss over the fact that Mr Rann has no concrete solution which can be considered by Government and which can tackle what is acknowledged as a major problem. Commissions, committees, councils, job summits and those sorts of things are not solutions to these significant underlying and structural problems that confront South Australia. This budget at least outlines a plan upon which the people of South Australia and ultimately this Parliament can make a judgment regarding a possible solution to the economic and financial problems that confront the State. I will not repeat them, but there was the $100 million employment package and the targeted spending—

An honourable member interjecting:

The Hon. R.I. LUCAS: We are helping to fund it through the sale of ETSA and Optima, the tax increases and the expenditure reductions, all of which Mr Rann, Mr Holloway, Mr Roberts and the Labor Party oppose. At least this Government has a plan on the table. We are not suggesting the fluff of commissions, committees, councils and summits as the solution to the financial and economic problems. To give Mr Cameron his due credit, at least he was prepared to acknowledge, first, that something significant had to be done. As a parent, speaking on behalf of young South Australians, he knows that his own children and the children of friends of his and the children of other South Australians are having to confront on a daily basis the question whether they must leave their family and friends and go to the eastern States to seek employment because of the State Bank debt that hangs over our heads each and every day. I at least give the Hon. Mr Cameron credit for acknowledging that something significant has to be done. We cannot continue eking out incremental change, as the Hon. Mr Rann and the Australian Democrats in this Parliament would seek to suggest.

This is my first budget, and this is this Government's first budget in this four year term for which we have been elected. We have set down a clear plan of action to do something bold and significant, as is recommended by the Hon. Mr Cameron.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: It is easy for the Hon. Sandra Kanck to criticise and say, 'Don't worry about it; the debt will take care of itself.' It is a bit like the unemployed South Australian with a $100 000 mortgage on his or her house wondering what he or she will do with the debt—but, thank goodness, the Deputy Leader of the Australian Democrats is saying, 'Don't worry; the mortgage will take care of itself. The fairies at the bottom of the garden will tiptoe through the tulips up to the house and solve the problem for you, hand in hand with the Deputy Leader of the Australian Democrats.' That is not the way that the problem of our State debt and State mortgage will be solved. At least I give credit to the Hon. Mr Cameron for acknowledging that. I want to give credit where credit is due to the Hon. Mr Cameron that he identifies what is the most significant issue for any State Government, for this State Government, namely, the unacceptably high unemployment and youth unemployment levels.

I will make only two further points in relation to that. The Hon. Mr Cameron said that almost one in two young South Australians are out of work. I know that, for the sake of accuracy, he would want me to indicate clearly that when he talks about that 38 per cent figure, for example, we are talking about those young people 15 to 19 who are not in school, who are not in TAFE, who are not in training, and we really are talking about one in 10 15 to 19 year olds who are out of work. The 38 per cent refers to those who are not in education and training and who want a job but are unable to get it. I am sure that he would acknowledge that figure.

However, the overall figure of 10 per cent is unacceptably high and, as Treasurer, and on behalf of the Government, we acknowledge that. It is true that we will be judged in 3½ years (or whenever it is) by whether or not we have made progress. But what we say in this budget is: at least give the Government a chance to put this bold plan into action.

As the Hon. Mr Cameron has acknowledged, something different has to be done. Incremental change will not correct the problems identified by this Government, the Hon. Mr Cameron and others. We need to do something different; we need to be bold about the changes. At least give the Government the authority to be able to give it a go. And if, in the end, we do not succeed, members opposite will be able to criticise freely at the next election and, in their judgment, they may well believe that they will be able to reap the benefit politically of a Government that is defeated and they can then set in place the Rann plan of establishing a committee and a council and having a jobs summit and all the other things that the Hon. Mr Cameron knows will just not work. The Hon. Mr Cameron at least will not lock himself into saying that he supports the Rann plan as being a solution for the State's financial and economic problems.

A number of other members spoke in this debate and, as I said, I was going to address their comments. There was a lovely little cameo piece from the Hon. Terry Roberts, as always in the Appropriation Bill debate, where he floated

across the ether of the economic debate with some lovely little comments on how the State Bank dilemma would have happened irrespective of whether there was a Liberal Government or John Bannon there, and then he wafted off into some other commentary. Time tonight does not permit a detailed response to that: I will leave that for another occasion. I refer to some of the claims made by the Hon. Mr Holloway in relation to the budget papers, the net asset sale premium, accrual accounting and others.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: It is the only chance I get, I believe, to be able to address some of these sorts of issues. I am getting hungry. I believe that my Whip has ordered a pizza for us, so I am not delaying this debate. Pilchards was a momentous contribution from the Hon. Paul Holloway—and I have to confess that pilchards are not my strong point. But, if there are issues there that can be addressed by the Government and the appropriate Minister, I am sure that an appropriate response will be provided to the Hon. Mr Holloway.

I thank honourable members for their contribution to the debate and I leave them with an entreaty—or at least one or two of them, anyway, because that is the number we need. At least let this Government get on with the plan that it has put before the people of South Australia through this budget and its asset sale program, allow us to give it a go and then make your judgment and let the community make its judgment about this Government at the time of the next State election.

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

EMERGENCY SERVICES FUNDING 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.

This Bill establishes a framework for levies on fixed and mobile property in South Australia, an hypothecated fund ('Community Emergency Services Fund'), and for the collection, management and disbursement of monies to meet the ongoing costs of emergency services in South Australia. It is in direct response to demands from the community for a fairer funding system.

This Bill is long overdue. Over the past 20 years five reports have recommended major reform to the existing arrangements for funding emergency service, but the hard decision to make the necessary changes has not been taken until now.

The current arrangements for funding emergency services in South Australia are complex, inequitable, unsustainable, inefficient, and lacking in transparency and accountability.

The Bill will replace the current funding arrangements with a fairer system where all property holders will make a comparatively equitable contribution towards the cost of emergency services on the basis of potential to benefit and the services available to them. This Government accepts that everyone has a right to expect access to emergency services for the protection of life, property and the environment, and everyone has a responsibility to make a fair contribution towards the cost of those emergency services.

Implementation of the new arrangements will enable the current fire service levy contribution included in insurance premiums for homes, businesses and contents to be eliminated, providing a major direct set-off to those who insure.

The "Community Emergency Services Fund" will be subject to the control and management of the Minister, and will be applied by the Minister to fund the ongoing cost of services provided by the CFS, MFS, SES, Volunteer Marine Rescue organisations and agreed rescue and prevention services provided by the Surf Life Saving Association, SAPOL and other community based providers of emergency services.

The fund will be exclusively applied for the purposes of emergency services and subject to comprehensive accountability through the Parliamentary process and the audit requirements of Section 31 of the Public Finance and Audit Act. There will be a substantial improvement in transparency and accountability compared with the existing complex arrangements. Under the new arrangements, services delivered to protect the community will be specifically funded on the basis of genuine need and risk based strategies with full accountability.

Under the current system, customers of insurance companies contribute approximately 70 per cent of the combined operating budget of the South Australian Metropolitan Fire Service (SAMFS) and the Country Fire Services (CFS) through a fire services levy included in insurance premiums.

The contribution from the Insurance Industry is paid direct to those agencies according to formulae contained in the *Country Fires Act 1989* and the *South Australian Metropolitan Fire Services Act 1936*. The balance of the CFS, MFS and SES operating budgets is contributed by State, Local and Commonwealth Governments, which is ultimately paid by taxpayers or the ratepayers of Councils.

Estimates based on insurance industry figures and data available after a number of natural disasters indicate that approximately 31 per cent of households and 20 per cent of small businesses do not insure and that another 29 per cent of households and 24 per cent of small businesses are underinsured.

The Government is concerned that under the current arrangements, those who do not insure, are underinsured, or insure offshore, do not make a fair contribution to the cost of protecting their lives, property and the environment.

In addition, the lack of transparency and accountability in the current funding system impedes effective strategic management and risk based service delivery to protect the community.

The current system provides little correlation between the contributions made by different service sectors in terms of their potential to benefit, the services required and used by those service sectors, the underlying cost profile of the services available, and longer term risk management based strategies to allocate resources to manage threats the community faces.

This Bill will establish a system focused on comparative equity in contribution which can be linked to a risk management based framework to deliver services to protect the community over a 20 year planning horizon.

In relation to mobile property, it is accepted by this Government that owners of motor vehicles, trailers, caravans and boats all benefit from the range of emergency services available and therefore should make a fair contribution to the cost of those services. Motor vehicle related incidents alone now account for at least 15 percent of emergency service callouts.

The Bill provides for the assessment of an annual levy in respect of all land in South Australia, all motor vehicles registered under the *Motor Vehicles Act 1959*, and all vessels registered under the *Harbors and Navigation Act 1993*.

With respect to fixed property, it is intended that contributions to the fund be based on the Capital Value of the property adjusted by an area factor and a land use factor to facilitate comparative equity in contribution i.e. a property owner will make a reasonable and comparatively equitable contribution on the basis of their potential to benefit and the cost profile of services available.

The Bill allows for the levy on fixed property to be a two part levy—a fixed charge component regarded as a "universal access fee", and an amount payable in respect of the value of the land.

Emergency Services Areas are established for the purpose of determining area factors, where the Emergency Service Area reflects a grouping of areas on the basis of service profiles and communities of interest. The capacity to revoke or reconstitute areas or vary the boundaries of areas has been included, in recognition of the need for flexibility in the system to enable long term equity and stability in an environment of changing demographics and social and economic circumstances.

The land use factors to be applied to the Capital Value of the property are provided for, where the land use factor reflects the profile of services that may be required by properties of that land use.

There is provision for the property owner to raise an objection with the Minister with regard to the attribution of a particular land use to the property. A property owner will also have the right to raise an objection, request a review, or initiate an objection in respect of a valuation under the *Valuation of Land Act 1971*.

The declaration and adjustment of the levy and area and land use factors for a particular financial year will be fixed by wa of notice published in the Gazette. The capacity to adjust the levy and area and land use factors in this manner will be critical to maintaining a system that is equitable, effective, transparent and accountable.

As social and economic factors change and risk based service delivery takes effect, there will be an ongoing need to change adjustment factors and emergency service areas. The Bill has included the flexibility and accountability necessary to ensure the system remains strategically focussed, sustainable and responsive to the changing nature and needs of the community. Adjustment through proclamation will ensure this critical flexibility and accountability is achieved and maintained.

The Bill provides for the management of an 'assessment book'. The information to be contained in the assessment book is critical to the ongoing management and accountability of the levy and fund. This clause provides for the book to be maintained and kept in a form necessary to enable effective and efficient management of data while being accessible to property holders.

The Bill provides for the collection of the fixed property levy but does not specify the collecting agent. This will enable arrangements that best meet the needs of the community and the fund to be negotiated and maintained on an ongoing basis.

This Bill is a major reform and long overdue. It will address the major inequities and flaws in the current arrangements for funding the delivery of emergency services in South Australia. It seeks to implement arrangements which are fair and will fund and underpin the delivery of emergency services to meet the needs of the community over a 20 year planning horizon and well into the next century.

I commend this Bill to honourable members.

Explanation of Clauses

Clauses 1 and 2:

Clauses 1 and 2 are formal.

Clause 3: Interpretation

This clause provides definitions of terms used in the Bill.

Clause 4: Land that is subject to the levy

This clause explains what land is subject to the levy. Each piece or section or aggregation of contiguous land that is separately owned or occupied is liable to separate assessment. Subsections (3) and (4) allow for more than one assessment in respect of separately owned or occupied land where the land straddles the boundary between two emergency services areas or separate parts of the land are used for different purposes referred to in section 7. Subsections (5), (6), (7) and (8) provide for assessment of land in strata and community schemes.

Clause 5: Basis of levy

This clause provides for the basis on which the levy will be assessed.

Clause 6: Emergency services areas

This clause establishes the emergency services areas and provides for their replacement or modification by proclamation.

Clause 7: Land uses

This clause sets out the uses into which land is to be divided for the purposes of the land use factor declared under section 9.

Clause 8: Objection to attribution of use to land

This clause provides landowners with a right of objection to the land use attributed to their land. If a landowner is dissatisfied with the Minister's decision on an objection he or she may appeal to the Land and Valuation Court.

Clause 9: Declaring the levy and the area and land use factors

This clause provides that the Governor may declare the levy and the area and land use factors for a financial year specified in the notice. The clause requires the Minister to determine the amount that needs to be raised by the levy for emergency services in the relevant financial year. This amount must be published in the Governor's notice. After the first levy has been declared it cannot be increased in a subsequent year without the approval of a resolution of the House of Assembly.

Clause 10: Liability of the Crown

This clause provides that the Crown is exempt from paying the levy is respect of land set out in subclause (2) if the Crown has paid into the Community Emergency Services Fund 10 per cent of the amount determined by the Minister under clause 9(4) as the amount required to be raised by the levy.

Clause 11: Minister to keep assessment book

This clause provides for the keeping of an assessment book. Subclause (4) provides for flexibility in keeping the assessment book.

Clause 12: Alterations to assessment book

This clause allows an owner of land to seek rectification of the assessment book from the Minister or from the Supreme Court if he or she is dissatisfied with the Minister's response.

Clause 13: Inspection of assessment book

This clause gives members of the public the right to inspect the assessment book and to copy entries in the book.

Clause 14: Liability for the levy

This clause provides that the person who owns land on 1 July in the financial year to which a levy relates is primarily liable for the levy. Succeeding owners are also liable but are entitled to recover any amount paid from the previous owner who is primarily liable.

Clause 15: Notice of levy

This clause requires the Minister to serve a notice of the amount of the levy payable on the person primarily liable. The notice must include the information required by subclause (2).

Clause 16: Interest

This clause provides for the payment of interest.

Clause 17: Levy first charge on land

This clause provides that an unpaid levy and interest are a first charge on the land concerned.

Clause 18: Rent, etc., payable by lessee or licensee

This clause enables the Minister by notice served on a lessee or licensee of land to require the lessee or licensee to pay the rent or other consideration due under the lease or licence to the Minister in complete or partial satisfaction of the owner's liability for the levy in respect of the land.

Clause 19: Sale of land for non-payment of a levy

This clause provides for sale of land by the Minister on failure to pay a levy for more than one year.

Clause 20: Recovery of levy not affected by an objection, review or appeal

This clause ensures that the Minister retains the right to recover a levy even though it is subject to challenge. If the challenge is successful any amount overpaid must be refunded by the Minister.

Clause 21: Payment of the levy into the Fund

This clause requires the levy to be paid into the Community Emergency Services Fund.

Clause 22: Liability for the levy

This clause imposes a levy on the registration, and reregistration of motor vehicles and vessels.

Clause 23: Declaring the amount of the levy

This clause provides that the levy may be declared by the Governor by notice published in the *Gazette*. The clause provides for a proportion of the levy to be paid when the period of registration does not coincide exactly with the financial year. After the first levy has been declared it cannot be increased in a subsequent year without the approval of a resolution of the House of Assembly.

Clause 24: Exemption by Minister

This clause enables the Minister to exempt a class of motor vehicles or vessels from the operation of the levy.

Clause 25: Objection to classification of vehicle

This clause provides for the right to object against the classification of a particular vehicle for levy purposes.

Clause 26: Payment of the levy into the Fund

This clause requires the levy to be paid into the Community Emergency Services Fund.

Clause 27: The Community Emergency Services Fund

This clause establishes the Community Emergency Services Fund. Subclause (4) sets out the purposes for which the Fund can be applied.

Clause 28: Investment of the Fund

This clause provides for investment of the Fund.

Clause 29: Accounts

This clause requires the Minister to keep proper accounts of receipts and payments in relation to the Fund. Section 31 of the *Public Finance and Audit Act 1987* requires the Auditor-General to audit the accounts to be kept under this clause.

Clause 30: Minister may delegate

This clause enables the Minister to delegate any of his or her functions, powers or duties under the Act (except the power to delegate).

Clause 31: Service of notices

This clause provides for the service of notices.

Clause 32: Regulations

This clause provides that the Governor may make regulations for the purposes of the Act.

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

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

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

The Hon. R.I. LUCAS (Treasurer): 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.

Between 1991 and 1995 Australian Governments made a series of decisions in relation to the implementation of national competition policy and the establishment of a national electricity market. As part of the reform process, ETSA was restructured to create two Government businesses, namely, ETSA Corporation (responsible for transmitting and distributing electricity) and Optima (responsible for generating electricity).

On 30 June, the Premier announced details of the Government's plans to further reform South Australia's electricity industry. Many of these reforms are contained in a package of legislation which will be introduced into this House in the near future.

The objectives of the reforms that will be implemented by the Government is to achieve:

- an efficient, competitive electricity industry in South Australia, within the context of the national electricity market and competition policy;
- sustainable lower electricity prices and choice of supply for consumers;
- an appropriate regulatory environment to encourage competitive outcomes and protection for consumers;
- long term security of supply;
- repayment of budget supported debt;
- reduced risks to taxpayers; and
- acceptable access and equity to supply for regional South Australia.

Central to these reforms is the sale of ETSA and Optima. The purpose of the Electricity Corporations (Restructuring and Disposal) Bill is to facilitate the restructuring of Optima and ETSA into number of separate businesses and to enable the sale of those businesses.

At present, South Australia's power assets are held within two public corporations, SA Generation Corporation, more commonly known by its trading name of Optima, and ETSA Corporation. The State's generating assets are largely held by Optima, although ETSA also owns two small plants at Snuggery and Port Lincoln which provide peak power when required. Within ETSA Corporation are five further subsidiaries, the most significant of which are ETSA Power Corporation, ETSA Transmission Corporation and ETSA Energy Corporation.

Under the Government's proposed restructuring of the industry, three new power generation companies will be created. The first of these, called Port Augusta Generation, will access Leigh Creek Coal and the coal leases, Northern Power Station and Playford Power Station. The second, Torrens Island Power, will own Torrens Island Power Stations A and B. The third, Peak Power, will own the four existing gas turbines at Mintaro, Dry Creek, Snuggery and Port Lincoln, together with a new 500MW combined cycle gas turbine generation plant.

The distribution and retail businesses currently undertaken by ETSA will be established within a new company structure and will be offered for sale together. However, under this company structure, the distribution and retail assets will be owned by separate subsidiaries of a common holding company. Further, the distribution and retail functions will be ringfenced to ensure separate operation.

ETSA Transmission will be separated from ETSA Corporation and will be completely independent of the distribution and retail businesses. This will be done in a way consistent with the obligations of ETSA under its existing cross-border lease and the existing guarantee by ETSA Corporation of the obligations of ETSA Transmission Corporation under the cross-border lease.

Finally, a new company, to be known as the South Australian Gas Trader, will be established. This entity will hold all existing gas contracts and assets of Optima and ETSA, including a gas bank of approximately 19 petajoules. In addition, it will assume Optima's rights in relation to pipeline capacity and expansion. The Gas Trader will enter into new contracts to supply natural gas to Peak Power (for its gas turbines) and to supply natural gas to Torrens Island Power for its power stations at Torrens Island. The Gas Trader will also supply gas to the privately owned and operated power station at Osborne and will be able to supply gas to any other new generators which enter the local market. The Gas Trader is an exciting new concept which we believe will encourage new generation companies and deliver a more effective use of our gas reserves.

This industry structure has been presented to the Australian Competition and Consumer Commission and the National Competition Council. The ACCC has raised no objections to the new structure and the NCC has stated that its preliminary view is that the proposed structure is "consistent with South Australia's obligations under both the National Electricity Agreements and clause 4 of the Competition Policy Agreement".

There is an urgent need for these reforms because last week National Electricity Market Management Company Limited (NEMMCO) announced the target start date for the operation of the national electricity market in South Australia would be 15 November 1998. That is a little less than four months away.

In less than four months industry and other large users of power will have full access to competitive power prices. There are 15 companies, 11 of them from interstate, who have already applied to operate as retailers of electricity within South Australia. In less than four months they will be competing with ETSA for the business of large users of power in South Australia who will enter the national market. This first tranche of large users is made up of 150 companies which contribute 30 per cent of ETSA's revenue. And of those 150 companies, 26 contribute approximately 20 per cent of that revenue stream. In less than four months, these South Australian companies, and many others who have watched their competitors in other States gain the benefit of competitive prices, will be actively seeking those prices for themselves.

Interstate experience is that, when offered the opportunity to choose their retailer, almost 50 per cent of customers decide to change. South Australia's electricity industry therefore faces a rapidly changing environment. The Government cannot stand idly by and do nothing.

The determination of the New South Wales Labor Premier to sell that State's power assets, and the commitment of the Opposition to do so if it gains office, makes the sale of our assets equally urgent. We do not have the luxury of delay. We have a narrow window of opportunity in which we can gain maximum value for South Australian taxpayers.

By taking advantage of this window we can secure the financial future of South Australia by reducing the burden of debt and our current interest bill of $2 million a day. To lock in these savings, the Bill provides that (except for some funds that will be used to establish a scheme to limit differences between the electricity prices paid by small country consumers and those paid by small city consumers) the net proceeds from the sale must be deposited in a special deposit account at the Treasury. This account will only be available for the purposes of paying off debt. We have made commitments to upgrade hospitals, provide additional computers for our school children and to fund environmental programs. All this can, and will, be delivered from the financial flexibility of the State having much lower interest payments on a vastly reduced State debt.

The new market arrangements pose substantial risks to the Government, as the owner of ETSA and Optima and as the guarantor of their liabilities. These risks have become more evident as the national market becomes imminent. The new market arrangements will put the value of the State's power assets at risk and the financial risks to the Government of operating in the national market are very significant.

We do not believe that South Australians should be exposed to these risks. These risks are for the private sector to deal with, not taxpayers. At the same time, the national electricity market will create many opportunities for experienced and skilled private sector market participants.

The Government must address these issues now. With South Australia's full participation in the national electricity market, South Australian taxpayers will be immediately and fully exposed to all the risks just outlined. Victoria and New South Wales are already well advanced in the reform process compared with South Australia. In particular, Victoria has achieved successful sales of its electricity facilities. Its sale process, and others, has demonstrated that financial markets currently have an appetite for electricity facilities and will pay premium prices to procure them.

As I have said, the Electricity Corporations (Restructuring and Disposal) Bill is proposed in order to facilitate the restructuring and disposal of ETSA and Optima.

The Bill is based on precedents set in other legislation enabling the sale of other Government assets. Over the last three months, the Government has been undertaking a detailed study of proposed reforms and business structures. The framework for reform has now been finalised and incorporated into this Bill and the package of legislation which will be introduced shortly.

The Bill repeals section 47A of the Electricity Corporations Act 1994 and associated provisions and words. This will allow the actual sales to take place. The Bill enables the transfer of ETSA and Optima assets or liabilities (or both) to a State-owned company or companies. It also enables the grant of a lease, licence or other rights related to the assets of ETSA and Optima to a State-owned company or companies. In addition, provision is made for the retransfer of assets and liabilities. This is to allow for circumstances where there may be a change in a planned State-owned company structure or to correct a transfer order.

Importantly, the Bill enables the sale of electricity assets or shares in a State-owned company which holds those assets. A lease, licence or other rights over electricity assets could also be granted. It must be emphasised that no actual transfer of assets or liabilities of the electricity corporations will proceed until after a due diligence has been undertaken. The purpose of this due diligence is, at least in part, to ascertain what assets and/or liabilities need to be transferred from the electricity corporations to the relevant State-owned companies. Further, the Government does not intend to proclaim these sections of the Act, nor to act under these provisions, until after consultation with any relevant parties.

The Government is committed to achieving positive outcomes for the community out of the sale process. With regard to prices, I can assure both city and country residential and small business customers who are low users of power that their price of electricity will stay below CPI until the year 2002. After this, these customers are expected to be able to negotiate with suppliers. Power prices to households and small businesses after the year 2002 are expected to come down through fierce competition between suppliers. These benefits of privatisation in terms of prices to consumers have been confirmed in Victoria. The Government also notes evidence from regional Western Australia and country Victoria that private power suppliers are keen to service regional markets.

The Government has promised that small customers in country areas will not pay in excess of 1.7 per cent more than corresponding city customers with the same levels and patterns of consumption.

In order to give legislative force to this promise, the Bill requires the Minister to establish, maintain and operate a scheme which is to be funded by part of the sale proceeds, which are to be put in a special deposit account at the Treasury for that purpose. To the extent those allocated funds are not sufficient, the scheme will be funded by the budget. The purpose of this scheme is to ensure that the electricity price charged to any 'on-grid' small customer outside the Adelaide metropolitan area will not exceed 101.7 per cent of the electricity price charged to a corresponding small customer in the Adelaide metropolitan area who has the same levels and patterns of consumption.

A small customer is a customer who consumes less than 160MWh per year at a single site. In other words, a small customer is a domestic or small business consumer who falls within the final tranche of customers who are to become contestable as from 1 January 2003.

For these purposes, the Adelaide metropolitan area is defined by reference to areas which are supplied with electricity through transmission network connection points situated at specified substations. On the basis of this definition, the Adelaide metropolitan area extends to Evanston in the north, Willunga in the south, the coast (and Torrens Island) in the west and McLaren Vale, Happy Valley and Northfield along the face of the Hills.

The Government estimates that the funding of this scheme will cost around $10 million. This funding, together with the maintenance of the existing level of cross-subsidisation between city and country, means that more than $120 million per year will go towards supporting residents of country areas.

Under legislation which is yet to be introduced into this House, consumers will also be safeguarded by a range of measures, including the appointment of an independent regulator to ensure private power companies charge customers fairly and meet their obligations to supply electricity to appropriate standards of quality and service.

Moreover, families or individuals who currently receive power at concessional rates will continue to do so after privatisation. The Government will continue to support those in need. Again the benefits of privatisation in Victoria have been demonstrated by a 47 per cent reduction in the number of households having their power disconnected.

I foreshadow that, at a later stage, I will be moving some amendments to the Bill for the purpose of further facilitating the restructuring and sale of the State's electricity businesses. Those amendments will deal with a number of matters, including the protection of employee entitlements and future superannuation arrangements. Details of these arrangements are still being finalised.

Reform of the Government's electricity assets is essential to achieve and meet the current and future needs of industry, households and economic development.

This Bill allows the Government to proceed with the fundamental reforms that are required in a professional manner and I commend the Bill to the House.

Explanation of Clauses

PART 1

PRELIMINARY

Clause 1: Short title

Clause 2: Commencement

Clause 3: Interpretation

This clause contains definitions necessary for the purposes of the measure.

The definition of an electricity corporation extends the term to subsidiaries of an electricity corporation. A subsidiary may be one formed under the *Corporations Law* or the *Public Corporations Act* or declared by the Minister by notice in the *Gazette* to be a subsidiary for the purposes of the measure.

A State-owned company is defined as a public company incorporated under the *Corporations Law* all the shares of which are held by Ministers of the Crown, nominated by the Minister by notice in the *Gazette* as a State-owned company for the purposes of this Act or a subsidiary of such a company. Such companies may form vehicles for the restructuring of the business of electricity corporations prior to sale.

Clause 4: Territorial application of Act

This clause applies the measure outside the State to the full extent of the extra-territorial legislative capacity of the Parliament.

PART 2

PREPARATORY ACTION

Clause 5: Preparation for restructuring and disposal

This clause defines the parameters of what is called the authorised project—a project for investigating the best means of selling the assets and liabilities of electricity corporations and preparing for the sale.

The directors and employees of electricity corporations are required to participate effectively in the process. This requirement extends to directors and employees of State-owned companies to which assets or liabilities of an electricity corporation have been transferred in preparation for sale.

Prospective purchasers (which by definition includes prospective lessees of electricity corporation assets) may be authorised by the Minister to have access to information relevant to a potential sale.

Clause 6: Authority to disclose and use information

This clause authorises the disclosure of confidential information in the course of the authorised project.

Clause 7: Evidentiary provision

Evidentiary aids are provided in relation to the authorised project.

PART 3

RESTRUCTURING AND DISPOSAL

Clause 8: Transfer, lease, etc., to State-owned company or Minister

This clause provides the means for restructuring electricity corporations in preparation for sale.

The Minister is empowered to transfer assets or liabilities of an electricity corporation to a State-owned company or to the Minister. The Minister is also empowered to grant to a State-owned company a lease, licence or other rights in respect of assets of an electricity corporation, or assets that have been transferred to the Minister.

Provision is made for the order of the Minister to deal with the consequential need to change references in instruments.

Clause 9: Re-transfer etc. to electricity corporation

In case it is found necessary to adjust the structure set up in preparation for sale, this clause enables the Minister to undo action that was taken under the previous clause.

Clause 10: Conditions of transfer order or re-transfer order

This clause enables the Minister to fix conditions on which transfer or re-transfer orders under the previous clauses are to operate, and in particular to assign values to transferred assets and liabilities.

Clause 11: Sale/lease agreements

This clause authorises the actual disposal of assets and liabilities to a purchaser or purchasers.

Various methods of sale are authorised: a direct sale of electricity corporation assets and liabilities; a sale of assets and liabilities that have been transferred to a State-owned company or the Minister; a sale of shares in a State-owned company; the grant of a lease, licence or other rights in respect of assets of an electricity corporation or assets that have been transferred to a State-owned company or the Minister.

Clause 12: Government guarantee

This clause brings the guarantee of liabilities of an electricity corporation under the *Public Corporations Act 1993* to an end when the assets are transferred from the electricity corporation. However, the Treasurer may continue the guarantee of the liabilities in appropriate cases.

Clause 13: Supplementary provisions

These provisions support the transfer of assets and liabilities and in general terms provide for the transferee to be substituted for the transferor in relation to the transferred assets and liabilities.

Clause 14: Evidentiary provision

Evidentiary aids are provided in relation to transfers and grants under the measure.

Clause 15: Application of proceeds of sale/lease agreement

Under this clause, the Treasurer may apply the proceeds of a sale/lease agreement—

- to pay off liabilities of an electricity corporation;
- in payment of the costs of restructuring and disposal of assets of electricity corporations and preparatory action taken for that purpose;
- in payment to a special deposit account at the Treasury to be used for the purpose of retiring State debt;
- in payment to a special deposit account at the Treasury to be used for the purpose of a scheme to limit differences between electricity prices charged to classes of consumers in non-metropolitan areas and those charged to corresponding consumers in metropolitan areas.

The Treasurer is authorised to direct electricity corporations or State-owned companies to make specified payments to the Treasurer. This is to ensure that the money raised from a sale can be applied to the purposes set out in subclause (1).

The Minister is required to establish, maintain and operate a scheme (funded by the special deposit account referred to above and subsequently by money appropriated for the purpose) for the purposes of ensuring that the electricity price charged to any small customer who is supplied electricity through the transmission network in South Australia, but not generally through a metropolitan transmission network connection point, will not exceed 101.7 per cent of the electricity price charged to a corresponding small customer, with the same levels and patterns of consumption, who is generally supplied through a metropolitan transmission network connection point.

"Small customer" is defined to mean a customer with electricity consumption levels (in respect of a single site) of less than 160 MW.h per year.

PART 4

MISCELLANEOUS

Clause 16: Provision of capital to State-owned company

This clause makes provision for the establishment of State-owned companies for the purposes of the measure.

Clause 17: Contract or arrangement between electricity corporation and State-owned company

This clause recognises arrangements under which a State-owned company may make use of the services of employees or the facilities of an electricity corporation.

Clause 18: Amount payable by State-owned company in lieu of tax

This clause makes provision for State-owned companies to make payments to the Treasurer in lieu of income and other taxes.

Clause 19: Relationship of State-owned company or lessee with Crown

This clause ensures that State-owned companies and lessees under sale/lease agreements will not be regarded as instrumentalities of the Crown.

Clause 20: Registering authorities to note transfer

The Minister may require the Registrar-General to register or record a transfer, grant or extinguishment under the measure.

Clause 21: Stamp duty

This clause provides for an exemption from stamp duty for transfers between electricity corporations and State-owned companies or the Minister.

Clause 22: Interaction between this Act and other Acts

This clause ensures that transactions under the measure will be expedited by being exempt from various provisions that usually apply to commercial transactions.

Clause 23: Effect of things done or allowed under Act

This clause ensures that action taken under the measure will not adversely affect the position of a transferee or transferor.

Clause 24: Regulations

This clause provides general regulation making power and recognises that regulations may be made under this Act for the purposes of modifying section 48A(1) of the *Electricity Corporations Act*.

SCHEDULE 1

Special Provisions

Clause 1: Mining at Leigh Creek

This clause contemplates proclamations specifying State-owned companies or purchasers as bodies authorised to carry out specified mining or other operations at or near Leigh Creek.

Clause 2: Statutory easement relating to transmission or distribution system

The statutory easement that applies under Schedule 2 of the *Electricity Corporations Act 1994* to a distribution or transmission system operated by an electricity corporation may be extended by proclamation to a system operated by a State-owned company or purchaser.

Clause 3: Temporary immunity in respect of failures or variations in electricity supply

The temporary immunity provided to an electricity corporation in relation to cutting off or failure of supply of electricity under Schedule 2 of the *Electricity Act 1996* may be extended by proclamation to a State-owned company or purchaser.

The clause will expire on a date fixed by proclamation, at which time provisions relevant to the national grid scheme will apply.

Clause 4: Liability of certain bodies to council rates

Certain property of an electricity corporation is currently declared not to be rateable under the *Local Government Act 1934* (see section 48A of the *Electricity Corporations Act 1994*). This exemption may be extended by proclamation to similar property of a State-owned company or purchaser.

This clause will expire on a date fixed by proclamation.

Clause 5: ETSA's inscribed debenture stock

This clause carries over the provisions relating to inscribed debenture stock contained in Schedule 2 of the *Electricity Corporations Act 1994* but substitutes the Treasurer or some other body specified by proclamation for ETSA as the issuing body.

Clause 6: Proclamations

This clause enables proclamations made for the purposes of the Schedule to be varied or revoked by subsequent proclamation.

SCHEDULE 2

Amendment of Electricity Corporations Act 1994

Clause 1: Interpretation

Clause 2: Amendment of long title

This clause adjusts the long title of the *Electricity Corporations Act* to allow for the sale.

Clause 3: Repeal of s. 3

This clause repeals the section setting out the objects of the Act (which contemplate public ownership of electricity corporations) and is necessary to allow for the sale.

Clause 4: Insertion of s. 7A—Effect of restructuring and disposal on functions

The new section enables the Minister to adjust the functions of an electricity corporation as its assets and liabilities are sold or leased.

Clause 5: Repeal of s. 47A

Section 47A contains impediments to the sale and must be removed to enable sale.

Clause 6: Amendment of s. 48—Mining at Leigh Creek

This amendment enables regulations under the restructuring measure to adjust subsection (1) of section 48 as necessary for the purposes of sale. The subsection prevents any further right to mine being granted over Leigh Creek. That provision needs to be retained in the preparation stage but may need to be removed in the sale stage to enable such a right to be granted to a purchaser.

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

ADJOURNMENT

At 7.24 p.m. the Council adjourned until Tuesday 4 August at 2.15 p.m.