LEGISLATIVE COUNCIL

Thursday 20 August 1998

The PRESIDENT (Hon. J.C. Irwin) took the Chair at 11 a.m. and read prayers.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

Adjourned debate on second reading.

(Continued from 19 August. Page 1488.)

The Hon. R.I. LUCAS (Treasurer): In closing the second reading debate on the ETSA-Optima sale Bill, I thank members for their contributions over the past two weeks. The second reading vote today is potentially momentous for two important reasons: first, if passed, this will be one further step towards the potential sale of ETSA and Optima and a critical step towards the future development of South Australia. Secondly, this vote is potentially momentous in that it may well change absolutely the balance of power in this Chamber and the balance of power in the Parliament and thus potentially change the future direction of the State of South Australia.

Potentially for the first time in almost 20 years the Australian Democrats will not have the absolute balance of power in this Chamber. Potentially for the first time in 20 years the Australian Democrats, together with the Opposition Party of the day, whether that be Liberal or Labor, will not have absolute control over the Government of the day and, in particular, the votes in this Parliament. Everyone will agree that that can only be good for the Parliament and for the State of South Australia.

This balance of power, potentially, may well be shared between two groups of people, one of which, of course, would continue to be the Australian Democrats in this Chamber and in the Parliament. Obviously, in responding to the second reading debate, I cannot respond to all the issues that have been raised by all members. I acknowledge at the outset that members can, based on rational debate on any issue, and particularly this one, reach conclusions that may well differ. Certainly, on behalf of the Government, I respect the notions of those members in this Chamber who, on the basis of fact and reasoned argument, may well eventually reach a position different from that which has been reached by the Government and by those who support the Government's position.

It will take me some time to address some of the key issues that have been raised by a number of members in their contributions to the second reading, because I believe it is important to correct, as part of the public record, any errors of fact in relation to the debate on the sale of ETSA and Optima. As I said, I acknowledge that, in some areas, there may well be different judgments from members about particular issues; and, clearly, errors of fact have been put on the public record which need to be corrected as part of the public record.

First, I turn to the contribution made by the Hon. Mr Holloway, as the Deputy Leader of the Labor Party and the Opposition, who put down, on behalf of his Leader, the Hon. Mike Rann, and the shadow Treasurer, Kevin Foley, the considered Labor Party position on the sale of ETSA and Optima. The first point to make is that we have seen during this debate, clearly, a deeply divided Labor Party on the sale of ETSA and Optima.

The Hon. T.G. Roberts: Slightly divided.

The Hon. R.I. LUCAS: A deeply divided Labor Party.

The Hon. T.G. Roberts: Slightly divided.

The Hon. R.I. LUCAS: The Hon. Mr Roberts obviously did not listen to the contribution made by his colleague the Hon. Mr Crothers or, indeed, the contribution made by his colleague the Hon. Mr Holloway, to which I will refer in a little while. I know that, in the early stages of this debate, Labor members scoffed when I indicated that there were at least eight members of the Labor Caucus—four on the front bench and four on the back bench—who had indicated to me that they supported the Government's position for the sale of ETSA and Optima.

The Hon. Carolyn Pickles: That is a lie.

The Hon. R.I. LUCAS: It may well be, because some Labor members are now saying that the number is up to 12 members of the Caucus: I am therefore happy to stand corrected. I was aware of only eight members of the Caucus who have expressed that view. As this debate ensues, more and more information will become available on the attitudes of members of the Labor Caucus. I have indicated publicly and I do so again today that I do not intend to reveal the nature of private discussions that I have had with members of the Labor Party. If Labor members wish to out themselves in relation to their private views on the sale of ETSA and Optima, that ultimately is a decision for them.

There is tremendous pressure within the Labor Party on this issue of the sale of ETSA and Optima. The hardheads within the machine, particularly those from the right of the Party, want to have the best of both worlds. They want to be able to oppose the sale of ETSA and Optima publicly because they believe it is politically popular, but privately they want the Bill to go through, they want to see the sale of ETSA and Optima. Some members of that machine are absolutely petrified that, if the sale of ETSA and Optima is blocked and if in public ownership significant losses are incurred by our public utilities, ETSA and Optima, in the period leading up to the year 2002, the time of the next election, their prospects or chances of election will be severely impacted.

Secondly, the harder heads and the more optimistic ones, perhaps, are concerned that, should they be elected at the next election and, as we move into full contestability in the year after the election, from 1 January 2003, when the full impact of the competitive, cutthroat national electricity market will be felt by our public utilities in South Australia, if any major losses were to come to fruition, even in part, in the first year of a Labor Government elected in 2002, the hardheads within the right know that their prospects of re-election would be very slim. They are all aware of those risks, but they are not prepared to publicly concede them. That is the tension which exists within the Labor Party at the moment, that is the pressure and the tension that has been placed directly on the Leader of the Labor Party (Mike Rann) in terms of the policy that he is playing on this critical issue for the future of the State.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: He has played the political card, he continues to play the political card and he knows and you know that there is pressure on him within your own Caucus as to the tactics that Mike Rann is playing in a political way on an issue that ought to be treated on its merits for the future benefit of the State and South Australians. The Labor position—the Rann, Foley and Holloway position—on the

issue of privatisation is based on a lack of substance and hypocrisy. As a number of members have highlighted, both on the Government side and on the Opposition side, the Labor Party has had a history of supporting privatisation. I will not repeat that for the record.

The position that Mike Rann has developed, together with his leadership group for the Labor Party has been, 'Well, okay, that has been the past, but we will oppose privatisation in the key areas of education, water and electricity.' The challenge that has been put to Mike Rann, Kevin Foley and Paul Holloway, and the challenge that not one of them has been prepared to respond to yet, is that if electricity is a core service, an area that cannot be privatised, what is the difference between electricity and gas? Most of us have both electricity and gas within our homes.

The Hon. P. Holloway: I have never seen a gas-fired computer.

The Hon. R.I. LUCAS: You might not have, but you would have seen a gas-fired cooker, I hope. I would hope that even the Hon. Mr Holloway might be prepared to concede that many South Australians rely on gas as well as electricity. What is the difference? We have had a privately owned and operated gas industry in South Australia for a number of years. Who sold it from the public sector to the private? Paul Holloway, Carolyn Pickles, Terry Roberts—the Labor Party—Mike Rann and John Bannon supported the sale of the gas utility to the private sector. What is the difference? The challenge to the Hon. Mr Rann, Mr Foley, the Hon. Mr Holloway and to others (which has still not been picked up) is: what is the difference between gas and electricity? The only difference we can see is that one was sold by Labor and one is attempting to be sold by the Liberal Party—that is the only difference.

The Hon. L.H. Davis: And they did not have a mandate for it.

The Hon. R.I. LUCAS: And, as the Hon. Mr Davis says, they did not have a mandate for it when they did it, anyway, but they did it. There has been no response because there can be no response from the Hon. Mr Holloway. I refer to a number of other matters that were raised by the Hon. Mr Holloway in his contribution. I point to one (and there are a number) of the absolute fundamental contradictions in the whole debate that has been developed by the Hon. Mr Rann, Mr Foley and the Hon. Mr Holloway in relation to the sale of ETSA and Optima. In his contribution, the Hon. Mr Holloway said that he supported the establishment of a national electricity market because he believed that great savings could be afforded to the people of this country through having a national approach to the way in which we operate our energy industries.

The Hon. L.H. Davis: It had actually been introduced by a Federal Labor Government.

The Hon. R.I. LUCAS: It has been introduced by a Federal Labor Government; and it has been supported by State Labor Governments, as well as Federal and State Liberal Governments. The Hon. Mr Holloway went on to say:

> In particular, as I pointed out in previous speeches, those benefits in the electricity industry arise because we can reduce the amount of overcapitalisation in electricity assets if we operate on a national rather than a State by State basis.

However, his argument in his contribution is that great savings can be achieved through a national electricity market, through the operations of a competitive market. Further on, the Hon. Mr Holloway's argument is consistent with the approach that the Hon. Mr Rann and Mr Foley have been adopting; that is, they have been arguing that we the Government of South Australia currently gets $193 million from ETSA and Optima, which flows from dividends and taxes from those utilities to the State budget. The Holloway-Foley-Rann position has been that, even in the national market, we can be assured that not only will those dividends continue but, as the Hon. Mr Rann has argued, they will be increased in the national market—we will see increases.

I will compare the two arguments that Mr Holloway has adopted. One argument is that through competition we will see lower prices and then, on the other hand, as a result of lower prices, of course lower profitability for ETSA and therefore lower dividends flowing through to the budget. That is his first argument: lower prices, therefore lower income and therefore lower income flows through to the budget. Then, without drawing breath, he supports the Rann argument that not only can we maintain our income but increase our income flows from ETSA and Optima to the State budget. The fundamental contradiction in the arguments of the Hon. Mr Rann, Mr Foley and Mr Holloway is revealed starkly for everyone to see; you cannot argue both cases rationally. Yet, the Hons. Mr Rann and Mr Holloway continue to argue, when they talk to one audience, that we will see lower prices and they support it, but, when they talk to another audience, they argue that we will see increased dividend flows and income streams from ETSA and Optima even in a national electricity market.

When we talk about that $200 million approximately that we get from ETSA and Optima, I am reminded of that terrific old ABC series *Minder* and, as Arthur would put it, 'We've had a lovely little earner for the past few years with ETSA.' We have a business which is importing across the Victorian border electricity at low prices. We purchase it low, sell it at a higher price in a monopoly market in South Australia, and cream off the profit. I am sure that a lot of business people would love to have a business like that. You buy cheap from across the border, sell it in a monopoly market with no competitors, and make the profit at a higher price.

From 15 November, when the cutthroat national market starts, that is the end of the monopoly market in South Australia. We have already about 20 retailers ready to go to compete against ETSA in this market which was previously a South Australian monopoly for ETSA. It is in that light that Mr Holloway and Mike Rann argue that we will still be able to generate our $200 million a year in income streams from ETSA and Optima, and that not only will we be able to do that but we will be able to increase it. That is the argument from Mr Holloway, supported by Mr Foley and Mr Rann. That is an unsustainable argument to anyone who is prepared to listen rationally to both sides of this particular debate and argument and seek to engage sensibly in a discussion on it.

The Rann, Holloway and Foley position has been in relation to the sale of ETSA and Optima and, indeed, to our whole budget. Their position is that it is possible for the Labor Party and the State to oppose every tax increase that the Government suggests, to oppose every expenditure reduction that the Government institutes, to oppose every asset sale (or significant one like ETSA and Optima) that the Government suggests and yet still maintain that we can reduce the debt and balance the budget. That is the magic pudding approach from Mike Rann and Kevin Foley, that Mr Holloway is supporting. They suggest that we can do all of that and still balance the budget and reduce the State debt. There is nobody in South Australia, save for Mike Rann, Kevin Foley and Paul Holloway, who agrees that you can run

a budget like that. There is nobody who believes that financial and economic prescription for the future of the State.

Members interjecting:

The Hon. R.I. LUCAS: You can play the politics if you want to, but engage in the debate and put down a response. That is the challenge for Mike Rann and it is a challenge which for weeks and now months he has been unprepared and unwilling to engage in, not only in terms of the sale of ETSA and Optima but also in terms of the financial direction for the State budget and for the future of the State.

The Hon. Mr Holloway, in his contribution, argued significantly again, along with Mike Rann as he has previously, rejecting the notion of the significant risk for our businesses. When I turn to the contribution of the Hon. Sandra Kanck, I will address the issues raised by the honourable member and also those raised by the Hon. Mr Holloway in relation to the risk issues.

The only other aspect of the honourable member's speech to which I wanted to refer was an unusual statement that he made when he talked about the regulatory framework. The Hon. Mr Holloway said:

> They can see that in the longer term, if they [the businesses] can hang around for long enough, once all the fuss dies down about Independent Regulators and their scrutiny starts to wear off, they will be able to get monopoly profits.

Again, the Hon. Mr Holloway has not understood the package of Bills that has been put down in this Parliament. If this Parliament passes a law to establish an Independent Regulator, with the powers that the Government has suggested, perhaps changed through debate in the Parliament, it is not possible that it can wear off.

If you pass a law to establish a strict regulatory framework it does not just wear off, it is the law of the State until some future Parliament seeks to change it if it would dare. So this extraordinary notion that in some way these rapacious businesses, when the fuss dies down and when the scrutiny wears off, will be able to go back to a position of screwing monopoly profits out of South Australian consumers is, as the honourable member knows, a scare tactic and one which has no substance in terms of his own contribution.

I think the honourable member's own personal demons in relation to this issue were well illustrated by his closing comments. I will quote him exactly:

> The problem facing this Council with the ETSA sale Bill is that we are dealing with two options, one of which is totally unacceptable and the other of which in my view is undesirable. It seems that ETSA and Optima will be further broken up into parts and there is nothing Parliament can do to stop it. The benefits of an integrated publicly owned infrastructure monopoly will substantially be dissipated by the Olsen Government, regardless of this Bill. There is little doubt in my mind—

and I think this is an important comment for some other members in terms of the NCC—

> that if this Bill is rejected the National Competition Council will in due course threaten competition payments to South Australia using the argument that there cannot be genuine competition if the shareholders of the three generating companies remain the same, that is, the taxpayer.

In one paragraph the Hon. Mr Holloway blows out of the water his own Leader's argument about the National Competition Council and the competition payment and blows out of the water the position adopted by the Deputy Leader of the Australian Democrats in relation to the National Competition Council.

I repeat for members that this is not the Government putting that position down but a member of the leadership group of the Labor Party, one of the foremost senior people within the Labor Party, one of the people responsible for the future direction and policy direction of the Labor Party, the shadow finance spokesperson for the Labor Party, acknowledging on behalf of his Party, contrary to his own Leader, that if this Bill is rejected this State of South Australia, its taxpayers, schools and hospitals, will face the loss of National Competition Council recommended payments from the Commonwealth Government.

That is the stark warning from a member of the leadership group of the Labor Party. That is a direct quote. I cannot be accused of taking the honourable member out of context: that is a direct quote from the contribution of the honourable member. If that was not enough, the honourable member then went on as follows:

> That could effectively shift the whole ETSA sale decision into the hands of the Federal Government. The retention of ETSA—

The Hon. P. Holloway: Tell us what you think of it.

The Hon. R.I. LUCAS: Paul, you're in enough trouble as it is. He continued:

> The retention of ETSA in public hands will then become, in my view, very difficult to sustain regardless of the merits of the case for public ownership which I have outlined today. I believe the vast majority of South Australians who have placed their faith in this Parliament to prevent the sale of ETSA should be aware that the defeat of this Bill may win the battle but not necessarily the war.

I acknowledge the personal demons operating within the mind of the Deputy Leader of the Opposition in this place in relation to this issue: on the one hand his own personal views and, on the other, the political position that has been adopted by his Leader, Mike Rann. But at least credit to him where credit is due. He has been honest enough to place on the record, even though he is opposing it, a clear warning on behalf of his Party about those competition payments that come from the Federal Government to the State of South Australia, and it can be no clearer than the warning he has placed on the public record.

If I could now turn to the contributions of some of the other Labor members. As to the Hon. Ron Roberts' contribution, as usual it will not require too much time to address its substance. I am sure he will have a smile on his face about that because he understands the correctness of that argument. I read it and read it again to find something to respond to. I wanted to place on the public record a correction of a lovely little yarn that the honourable member told of how the Treasurer went on tour to country areas together with American advisers with wads of $50 notes and how the unemployed people in Whyalla and Port Pirie were not all that impressed. He said, 'The Government tried the old pea and thimble trick, the snake oil routine.' I place on the public record that we have not travelled to Port Pirie or Whyalla. It was a lovely little story from the Hon. Ron Roberts, but there was no fact in it.

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: There was no visit to Port Pirie or Whyalla, and I am not surprised that these unemployed people in Whyalla were not impressed with my speaking at a public meeting in Port Pirie and Whyalla—because I was not there! I am not surprised. The Hon. Mr Roberts might have had a meeting and invited them to go there to listen to me, but I did not turn up and neither did my America advisers, so I am not surprised they were not impressed—

because it was a figment of the Hon. Mr Roberts' imagination.

The Hon. L.H. Davis: And that was your strongest argument, Ron.

The Hon. R.I. LUCAS: Exactly. That was the Hon. Mr Roberts' strongest argument; nothing much else needed to be responded to in relation to his contribution.

I now turn to the contribution of the Hon. Trevor Crothers. I have always had a good deal of respect for the Hon. Mr Crothers in terms of his contributions when he enters the debate, even when we disagree, which is quite often.

The Hon. T. Crothers: I am not up for preselection anymore.

The Hon. R.I. LUCAS: No, he is not up for preselection anymore. Even though we disagree quite often, I always enjoy his contributions. There were two or three issues to which I would like to refer. Again, the substance of the Hon. Mr Crothers' statement—I do not wish to quote him inaccurately—was that he would have had 'great difficulty' (that was the nicely understated way he put it—it was carefully put) opposing the sale of ETSA and Optima if the Government had mentioned this prior to the last election. In his nicely understated way, the honourable member made quite clear, as he generally does, his attitude to the importance of this issue for the State of South Australia and for South Australians.

There were two or three issues I wanted to place on the record. The Hon. Mr Crothers asked why the Government was not floating shares to the Australian public rather than looking at a sale option. This Bill on which we are about to vote would allow three options: sale, lease or a share float. It is true that the Government's preferred option is not for a share float. The reason, to answer the honourable member's question, is that we have been informed by a number of our advisers that the value loss in a share float is between 20 per cent and 30 per cent. The honourable member's maths are generally pretty good.

The Hon. T. Crothers: I was thinking in terms of exercising control either from within the nation or overseas.

The Hon. R.I. LUCAS: I understand the point, but the response still is that potentially the value loss for the State and taxpayers, should we take the decision to sell, is somewhere, we are told, between 20 per cent and 30 per cent. If the honourable member does his figures on the commonly speculated values of between $4 billion and $6 billion, he can do his own calculations.

Secondly, the Hon. Mr Crothers also indicated that he wanted to assert that when monopolies, particularly those in private hands, have the capacity to control those industries in which they are involved, they will charge what the market can bear and not what the product is worth. I point out to him and to all members that under the framework we are talking about the distribution and transmission pricing will all be regulated by independent bodies, either a State-based regulator or the ACCC after the year 2003, so the monopolies or competitors will not been able to set their own price.

The second point I make is that at the moment we have a monopoly supplier in generation through Optima. One of the Government's reforms is to break down that monopoly so that we have a competitive generation market with three companies instead of one (Optima) so that we will not have, even with a sale, a private monopoly supplier or generator in our market in South Australia.

The honourable member went on a trip and stated that the Indian Government found that corporate greed was the cause of an unexpected power shortage because so many of the contractors were paying bribes and kickbacks in order to ensure they got the contract. They did not care about the moral ethic of their involvement in the work. One of my advisers who is much better travelled than I tells me that, from his and his company's knowledge of the Indian situation, it is widely known that the greed and delays at fault in the power sector in India was on the part of the people soliciting the bribes—primarily the entrenched State Electricity Board bureaucrats. I am sure the honourable member is not suggesting anything further in relation to that comparison here in South Australia.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: The Hon. Carmel Zollo was curious to know how any single private consumer is able to be provided with true competitive delivery of their power system because it can only be delivered from alternative sources by the one system of existing lines, which leads one to wonder just how much individual choice any one consumer in any suburb of Adelaide will have. For the benefit of the honourable member, in many respects it will be very similar to the telecommunications industry, where we have seen a competitive market develop with Optus and Telstra.

We will see increasing competition and we will have around 20 or so retailers competing in our market from 15 November this year for large industry customers, first, and eventually by the end of the year 2003 individual households will be in the same position as they are now of being able to choose between alternative retailers of electricity in their home.

The Hon. Terry Roberts raised a number of issues but again I cannot respond to all of them. As always, he was entertaining, off on a tangent, the Duncan Left by himself or, should I say, not with many others.

The Hon. L.H. Davis: Good front bar stories.

The Hon. R.I. LUCAS: Yes, good front bar stories. The honourable member talked about the interconnector, with his obvious knowledge of the South-East. He also quoted Mr Bruce Dinham, a former General Manager of ETSA in relation to the interconnector, as follows:

> It is also claimed that ETSA will have to compete with cheap electricity from the Eastern States. This ignores the fact that electricity can only come into South Australia via the Mount Gambier-Portland interconnection, which has limited capacity and already operates continuously at full level supplying ETSA. Any consumer wanting to import directly would obviously have to pay interstate suppliers more than ETSA is paying, which is not likely to give them cheaper electricity than they are already getting.

I have already partially responded to that claim by Mr Dinham and others in response to an issue in the Hon. Mr Holloway's speech, but again we are talking not about limited capacity over the interconnector but about up to 30 per cent or 40 per cent of our power in South Australia coming from Victoria via the interconnector. So, it is not insignificant. Indeed, as I indicated earlier, it has been a very good earner for ETSA because we have been buying cheap and selling at a higher price. We will not be able continue that after 15 November because of the competition that will arrive in the marketplace.

I now turn to the contribution from the Hon. Sandra Kanck in terms of her analysis of the merits of the debate. I do not want to be unduly inflammatory in my second reading contribution, as is my custom, but I must say that I was personally disappointed in the honourable member's contribution to the debate. I hasten to repeat that I think that it is

possible, using fact and rational debate, to come to a different conclusion from that of the Government. Obviously we would not agree with it, but at least we could not argue against the facts that have been used in terms of the justification of a particular position. I certainly do not intend to engage in this response in personal abuse or smear: I want to respond in a reasonable way. It is only reasonable that we are able to explore the claims that were made and whether or not they are fact. As I have indicated in Question Time previously, we believe that the Democrat Deputy Leader's analysis contains a number of significant errors which may well have influenced the decision taken by her on behalf of the Democrats.

Before looking at the individual facts, I place on the record my biggest disappointment in relation to this debate. I spent some weeks meeting with the Deputy Leader, and I congratulate her for the assiduous way in which she tackled her task—her 1 000 hours of research, as she has proudly proclaimed.

All through those meetings the honourable member asked me a series of questions and, to be fair, in response to a number of those questions I said, 'Look, these will require decisions of the Government and the Cabinet;' 'We will have to get approval from the ACCC and the NCC;' or 'I will need to speak with advisers to try to answer those particular questions for you.' We genuinely tried to respond to the questions as quickly and as comprehensively as we could.

Just prior to the Premier's announcements on 30 June in relation to the key decisions and protections that the Government was taking on disaggregation, electricity reform and the sale of ETSA and Optima, I again spoke with the Deputy Leader, and eventually the Leader, of the Democrats, imploring them not to announce their position—as they had publicly indicated—prior to listening to the Premier's response to questions that they had been asking of me over a period of weeks.

On both the Friday and the Tuesday before the Democrats announced their position I spoke to both the Leader and the Deputy Leader and indicated one of the issues that the Government still had to resolve: we still had to get final clearance from the ACCC and the NCC on the structure of the industry that we were wanting to set in place. This was a critical issue in terms of protection of services, standards and pricing issues for country consumers.

If we were able to have one distribution company, then we were able to continue, in a very significant way, the cross-subsidy between city and country consumers to protect country prices. If the ACCC did not allow us to have one distribution company—if we had to split the distribution company into at least two—we would be faced with significant problems in trying to provide a degree of protection for small country customers in terms of their electricity prices after the full onset of the contestable market.

As I said, I implored both the Leader and the Deputy Leader of the Democrats that, in response to the questions they had put to me, we needed to get that clearance and then final sign-off from Cabinet. I asked whether they could wait, I think, five extra days—from the Wednesday or the Thursday of the previous week to the following Tuesday—for a briefing from the Premier and me in response to the questions that they had put to me over a number of weeks. I believe that was a reasonable request, and I believe that most people listening to what I am saying today would also say that it was a reasonable request.

The Hon. M.J. Elliott: Unless they heard the other side.

The Hon. R.I. LUCAS: Well, they have heard the other side. You put the other side when you made your contribution. These were critical issues to which the Democrats should have had answers before they made their decision. I am realistic enough in this world to know that even with the briefing the Democrats, for whatever reasons, might still have reached the same decision. However, at least they should have listened to the debate. Even after the Tuesday to which I refer, the Australian Democrats were the only Party—if I can include the No Pokies Party as a Party—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: No Pokies individual, perhaps—that had not had a full briefing from the Government and a team of advisers on the decisions announced by the Government on 30 June. Labor and Liberal Party members, the Hon. Mr Xenophon and the Independents in another place sat down and listened to the presentation, asked their questions and then made their own individual decisions. The only Party that has not been prepared to sit down and listen to the presentation, even after 30 June, has been the Australian Democrats.

The Hon. L.H. Davis: So how do you answer that one, Mike?

The Hon. M.J. Elliott: They weren't the critical matters.

The Hon. R.I. LUCAS: The Hon. Mr Elliott says that they were not critical matters, but country pricing—

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: If the honourable member had waited until the Tuesday he would have had answers.

Members interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Cameron got the answers and, if the Democrats had waited until Tuesday, they would have got the answers. We needed to get the approval of the ACCC for one distribution company as opposed to two companies. Country pricing is a critical issue, which was raised by the Deputy Leader of the Australian Democrats as being one of the issues that was important.

The PRESIDENT: Order! Will the Treasurer resume his seat, please. Would the cameraman please remove himself from the gallery. I take this opportunity to say that this is an important day and members would be aware that television cameras and still cameras are present in the gallery. I have so far closed a blind eye to the fact that members of the media have not been adhering to the rules which allowed them access to the Chamber. If any members wish to take up that point with me they can do so, and I will ask the cameramen to observe the rules. Otherwise, because of the day, perhaps they should be able to move about.

I also point out that cameramen are focusing on members who are seeking advice either from the gallery or from their advisers with documents in their hands, and that may well not be accepted by members. At this stage, unless any members want me to advise the gallery not to perform in the way that they are, I will let that happen and invite the Treasurer to resume his remarks.

The Hon. R.I. LUCAS: Country pricing was a critical issue and it was not until just prior to 30 June that we received the clearance from the ACCC to go down the path of a one distribution company model, enabling us to make this safety net protection for small country consumers. If we had been forced to go down the path of the two distribution company model on the basis of competition principles and the ACCC, we could have seen country-country and country-city price differentials of about 10 per cent, or more, between some consumers in the country and some consumers in the city. The Government did not want that, and that is one of the

reasons why we asked the Democrats to delay their decision until we were able to get that clearance and approval from the ACCC, ultimately the Cabinet, and then the announcements of 30 June.

I have highlighted in the past a number of issues raised by the honourable member. I will not repeat them again today other than to list them. The honourable member has claimed that since privatisation in Victoria service standards have declined, and the Independent Regulator-General has rejected that notion in his most recent report. The claims made by the honourable member in relation to the World Bank report have been documented. It has been indicated clearly that it was not a World Bank report opposing privatisation. Thirdly, and most importantly, are the honourable member's claims that, in the repayment of debt, initially the honourable member had the view that we would incur penalties of $1 billion to $2 billion but, when the honourable member released the Democrat position, she continued to maintain, even though she had been briefed and so had her Leader (I will deal with that in greater detail when I refer to the contribution from the Hon. Mr Elliott), that the Government would have to pay penalties of up to $900 million, almost a $1 billion in penalties, in the early repayment of debt.

The honourable member was wrong by that sum and I explained that to her on two separate occasions. I met separately with the Leader, and I will detail that discussion with the Leader later on, to explain that was not the case, and yet the Democrats still claimed in all of their documentation and the leaflets that they sent out that we would incur a cost of $900 million through the early repayment of the debt.

The honourable member made a number of claims in her contribution that I need to address. The first one was a full frontal attack, which I guess is her right and a number of others have done it in the past, including on occasions members of Liberal and Labor Governments. Whilst the honourable member can obviously disagree with Professor Fels, as is everybody's right, I am not sure why she said that Professor Fels is not supposed to have an opinion on privatisation. I am not sure why he is not allowed to have an opinion on privatisation, and there is no substance to that claim. In addition, although she disagrees with him, she believes that Professor Fels has put the ACCC in disrepute because he supports privatisation, and that is a pretty long bow to be drawn by the honourable member.

I want to refer to another significant contradiction in the argument of the honourable member, and that relates to competition payments. In her contribution, the honourable member said:

> Ed Willett of the National Competition Council told me that the outstanding issue for South Australia was that of the failure to disaggregate, especially the issue of the separation of distribution and retail.

That was in the context of an argument from the honourable member that competition payments were not at risk and that the failure to disaggregate was the issue that there was most concern about from the NCC. About two minutes later in her speech, the honourable member went on to argue that Optima is able to exercise market power. She said:

> When the over-supply in the NEM balances out, prices for generated electricity will go up. Optima will be protected from low prices during the period of over-supply, and it will be in a position to capitalise on the increased prices after that.

That argument is very much the same as the contradiction in Mr Rann's position. On the one hand, the honourable member is arguing that the income flow from ETSA and Optima will continue because Optima will still be able to exercise market power, it will be able to increase prices for electricity to consumers and it will be protected from low prices because it will be in a position to capitalise on increased prices afterwards. The honourable member argues a case that Optima with market power will be able to screw prices out of consumers—residential customers and industry—in South Australia and that is an interesting contradiction to a press release that she issued recently in which she attacked the Government for wanting to see higher prices for consumers in South Australia.

That was her argument in that part of her speech; yet in another part of her speech the honourable member argues that there is significant concern from the NCC about the issue of market power and what it is really concerned about is the issue of disaggregation. On the one hand she argues that we should keep Optima together, screw higher prices out of consumers in South Australia and we will still get the dividend flow; but on the other hand she is arguing that the only issue of concern for the NCC is market power and disaggregation, and that is the only issue we need to worry about in relation to competition payments. Bingo! That is exactly right.

The NCC is worried about the issue of market power, the ability of Optima in a monopoly market to screw higher prices out of residential and industrial customers in South Australia, and that is why it wants to see a competitive generation market in South Australia, that is why there is an argument about disaggregation of one Optima into at least two or three Optimas, according to the Government's argument, which has been accepted by the ACCC and the NCC, together with any new entrants competing in the marketplace. It is not possible rationally to argue both of those points in the one speech as the Deputy Leader of the Australian Democrats did.

Part of her speech mirrored comments made at a recent public meeting that we attended, together with the Hon. Mr Xenophon, at Port Lincoln, and the Hon. Mr Xenophon can attest to the accuracy of what I am about to say. The Hon. Sandra Kanck attacked me and the Government on the basis of the potential for a new gas-fired competitor coming into our generating market. The honourable member said, and I quote exactly, 'That is a myth.'

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The honourable member confirms that is still her view that it is a myth that there could be competition in the generation market, that there are people wanting to compete, wanting to build new gas-fired plant, wanting to compete against Optima in South Australia.

Members interjecting:

The Hon. R.I. LUCAS: All I am quoting is the honourable member's statement, and although she does not use the word 'myth' in her speech, she argues that there are no people out there wanting to build new generation plant in South Australia. She said at Port Lincoln that it was a myth that there are people who want to compete and come into the market. The reality is that our Optima, our Torrens Island, operates at between 30 per cent and 35 per cent efficiency. The new gas-fired plants operate at 50 per cent to 55 per cent efficiency, and there is a huge incentive, particularly if you have monopoly prices under the Democrat model that one Optima can charge in the South Australian market, for competitors to come into the South Australian market, to build new generation capacity and to compete against our publicly owned utilities here in South Australia.

The honourable member was challenged by me at Port Lincoln, when I said that she must acknowledge that at some stage in the future we will need new capacity. I told the honourable member that the Democrats have opposed Riverlink, which is the connection from interstate, and they oppose the building of new plant, so what is the Democrat response? Again the Democrat response was, and I quote exactly, 'The powerless power station'.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The Deputy Leader says she did not say that in Port Lincoln? I have a radio transcript.

An honourable member interjecting:

The Hon. R.I. LUCAS: It is a tape recorded transcript.

The Hon. Sandra Kanck: I have never used the words 'powerless power station'.

The Hon. R.I. LUCAS: I would be very happy at another stage to provide a copy of that transcript. The honourable member referred to an article in one of the States of America where, through demand management and conservation approaches, it was able to save and prevent the building of a new power station. In response to my question, 'If you oppose Riverlink, if you oppose new generation capacity because you believe it is a myth, what is the alternative?' the Deputy Leader responded, 'A powerless power station' and she gave that example from one of the States of America in relation to the issue.

The honourable member then went on to talk about the repowering of Torrens Island. The obvious question put to the honourable member was, 'Where does the money come from for that?' and the honourable member's response to that interjection from the Hon. Legh Davis (which was most unusual), was 'Optima already has that money because, when ETSA and Optima were split, Optima was left debt free. . . ' That is a direct quote from *Hansard*.

The Hon. T.G. Cameron: *Hansard* might have reported it incorrectly.

The Hon. R.I. LUCAS: I am sure *Hansard* would not have recorded it incorrectly, knowing the efficiency of our *Hansard* staff. I assure the honourable member that Optima does not have the money and, even if Optima is debt free, if it has to borrow $150 million or $200 million to build the new power plant, that gets added to the State's debt. It is not a magic money tree so that, if we borrow $150 million to $200 million, it does not get added to the State's debt.

As Treasurer, I have been considering for some time delaying requests from Optima, because it is saying, 'If we are to compete in this cut-throat market, we have to make our plant more efficient. We have to repower. We have to spend this $150 million or $200 million—whatever it is—so that we can at least attempt to compete in the cut-throat national electricity market.' As Treasurer I would prefer to be spending $150 million to $200 million on schools, country roads, hospitals and a variety of other services that South Australians want, rather than spending $200 million on repowering a power station in the north-western suburbs to take the risk of competing in a national electricity market and maybe losing in the end. I am sure some Lower House members of the Labor Party, as well as the Liberal Party, will nod in agreement to that proposition; that is, they would prefer the money spent on their schools and hospitals, rather than spending it on a punt that we might be able to compete successfully in a national market against the big operators from interstate and any others that might build in South Australia to compete against Optima, when they can operate their plant at 50 to 55 per cent efficiency. Even if we spend the money on Optima on Torrens Island, we will not be able to get it up to 50 to 55 per cent efficiency because of the age of the plant—no criticism of the staff, but because of the age of the plant.

They are the sorts of decisions that Governments have to take. Members from the Opposition and the cross benches can complain all they like about more money being spent here and there, but then they have a suggestion: 'Do not worry about spending $150 million to $200 million on Torrens Island because they have got the money'—when they have not—'and they are debt free. Therefore, it is not a problem.' That is the policy prescription that has been put in this debate in relation to sums of moneys of up to $150 million to $200 million just to try to compete in this national market against the interstate operators and against any new private sector operators that are gearing up ready to go once the market starts in South Australia.

The honourable member then went on in her contribution to look at the risk issues in relation to ETSA. It is fair to say that the Deputy Leader says that there is no risk at all in relation to ETSA. At least some of the others have had the courage to say it is only limited risk.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: It is a direct quote. Go back to the *Hansard*. Here it is here on page—

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The Deputy Leader says, 'I didn't say that at all.' Let me read from the *Hansard*. At page 1302 the honourable member said:

> Of course, if X is nought, which it quite feasibly could be, and you get a CPI increase because you have those efficiencies in place, there is no risk at all.

This is in relation to a two paragraph discussion on regulatory risk and market risk in the honourable member's contribution—'There is no risk at all.' No-one operating in this market believes that there is no risk at all. Even some people have the good sense to say, 'It is low risk' or 'It is limited risk', but no-one believes the view that there is no risk, save for the Deputy Leader of the Australian Democrats. As I said, on 15 November we will have 20 competitors gearing up to compete against ETSA in the retail market in South Australia when previously it had a monopoly position operating in South Australia.

We have the issues of potential bypass. The Deputy Leader again puts the position that Western Mining has considered the option of its own generation capacity and has rejected it. I must say that that is not my reading of some of the public statements of Western Mining. Obviously, a number of issues still need to be resolved in terms of discussions with Western Mining, but certainly I do not think you can interpret from its public statements, anyway, that it has said that it is happy to come into this market on whatever deal it can negotiate. It is still talking about alternatives, contrary to the statement from the Deputy Leader, that Western Mining has considered the option of its own generation capacity and has rejected it.

Again, I will not go into the detail—we have talked about it previously on a number of occasions—about the issues in relation to the Regulator and that, in particular, whether or not we keep ETSA and Optima, the decisions that the Independent Regulator will take will impact on the profitability of the electricity industry. If we still own ETSA and Optima with an Independent Regulator our $200 million (or $193 million) could be impacted (and significantly) by a decision of the Independent Regulator. So those who argue that we have no

risk at all—we have this $200 million that will flow into the coffers—are not being accurate in terms of their contributions.

A number of examples have been provided to members—and I apologise to all the other members, other than the Democrats, who have been through this presentation. I will only summarise a couple of aspects of it in relation to the risks of trading bodies such as ETSA, in particular, in a competitive market. I will talk about the whole notion of pool trading risk and I will use the example—at which, I am sure, the Hon. Mr Xenophon and the Hon. Mr Cameron will raise their eyebrows; they have heard it a number of times—of Illinova based in Illinois. I will outline the situation, which was only in June of this year, so we are not talking about past history but about recent history. Unexpected hot weather in June drove up demand at the same time that certain plants and interstate transmission lines were out of commission. The problem was compounded when two small, independent power marketing businesses went out of business due to the high prices at that time in the market. Pool prices reached over $A8 000 per megawatt hour, but the utilities were trapped with sales to customers at approximately $170 per megawatt hour.

This is a notion of the pool trading risk, the sort of business that our ETSA (or its competitors) will be in. You lock in contracts where you sell at a price. In this case, they locked in contracts selling at $170 per megawatt hour and then, because of a variety of problems, suddenly they had to buy at $8 000 per megawatt hour. You do not have to be Arthur from *Minder* to work out that that is not a very good earner if you happen to be the owner and a shareholder of that particular business—$8 000 per megawatt hour and you are being paid $170 per megawatt hour.

What happened? Illinova Power, based at Illinois, announced that it will receive 'little in the way of earnings for 1998' and a 'significant loss' for the six months to June. The projection was based on 'an uncertain and highly volatile electric power market'. Analysts had expected the company to earn about $A200 million. So, as a result of a hot month in June and getting its sums wrong—this is the little risk or no risk about which we are talking—that company is facing $200 million in potential losses. Another company operating in the same market, First Energy, based in Ohio, announced second quarter earnings reduced by $88 million, mostly from trading losses.

Let us come back to Australia and go to New South Wales in terms of generation and risk. In New South Wales, the Government owns three separate generation companies—Macquarie Power, Pacific Power and First State Power. They compete against each other in setting pool prices in the wholesale market. Consumers enjoy the benefits of the competition via lower pool prices. However, as the owner, the Government has seen the value of its ownership crumble. The New South Wales Auditor-General—not a partisan politician but the Auditor-General in New South Wales—has been quoted as forecasting the profits of those three Government-owned generators falling from $222 million two years ago to $51 million this year. That is the degree of risk that we are being asked to continue with as part of the national electricity market.

The last issue of risk I want to place on the public record concerns some recent publicity in relation to ETSA's trading in the interstate market. There was a press report in the *Financial Review* some two weeks ago which indicated some concerns that ETSA was losing $8.1 million in the interstate retail market. When asked about that in the Chamber, I indicated that I, too, had been given that particular figure. Having checked that now, I want to place on the public record the fact that the $8.1 million figure is actually a loss that ETSA has incurred on the contestable or retail market. It is still a loss but is actually on the contestable or retail market.

The actual loss on the interstate trading market, while still a significant loss, is somewhere just over $3 million. The latest estimate is between $3 million and $3.5 million on the interstate market. So, this is the first opportunity I have had to place on the record that correction. As I said, the $8 million has been lost on the contestable or retail market, which does include the interstate market. The more accurate figure for the interstate market is somewhere just over $3 million. The honourable member then went on to talk about the split up of Optima, when she said:

> Might I say, too, that the exceedingly strange split of Optima into three bodies to be imaginatively named Coal Co, Gas Co and Peak Co will not help in the competition for lower prices because they do not provide competition representing respectively base load, intermediate load and peak load.

Can I place on the record the fact that that claim from the Deputy Leader is not correct. In fact, Coal Co has a northern power station which is a base load plant. It has Playford, which will continue as a peak load plant. So, within the Coal Co company there will be both base and peak. With respect to the Gas Co company, TIPS A is a base and intermediate load company, and TIPS B is an intermediate and peak load company. Thirdly, in relation to Peak Co company, it obviously includes the four current peakers but, as the honourable member would know from the policy announcement of 30 June, it will also include the new entrant which will be a base load/intermediate load plant, and therefore will include both base and intermediate loads.

The Deputy Leader went on to, in effect, endorse the assessments of Professor Quiggin and John Spoehr that, if we are to sell ETSA and Optima, it will require at least $7 billion for the sale to break even. I want to record the following information, because the Deputy Leader of the Australian Democrats did not indicate any of the response with which she had been provided by our advisers in the Government in relation to this claim. I want to read onto the public record part of a letter that I wrote to the Deputy Leader of the Australian Democrats which rebuts extensively the claims made by Professor Quiggin and Mr Spoehr. I am happy to provide to other members a copy of that letter, with the agreement of the Deputy Leader.

Professor Quiggin and Mr Spoehr make a $45 million error in their base estimate of the earnings before interest and tax for our electricity businesses. In fact, the earnings before interest and tax in 1998-99 compared to what they estimate are incorrect by $45 million. That baseline error of $45 million is then used for future profit projections by Mr Spoehr in terms of their calculations for the future profitability of both ETSA and Optima. The analysis also makes no provision for the retention of capital to fund ongoing investments in what is obviously a capital intensive industry which will be required even to maintain the existing earnings. This is ignored by Quiggin and Spoehr on the basis that allocation of earnings between dividends, retained earnings and taxes is a matter of accounting convenience, according to Quiggin and Spoehr.

As we have discussed previously, there are huge capital expenditure demands being made by these businesses. To in effect ignore as a mere accounting convenience the issue of

providing or retaining capital within the businesses to fund ongoing investment is clearly a serious error in terms of their calculations.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Cameron says it could be as much as $3 billion. All I know is that there are very significant costs.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: In the end, if it is a publicly owned ETSA and Optima, it will be taxpayers first who will have to find the money. Quiggin and Spoehr then do an analysis which shows a very significant real growth in earnings. I quote exactly from the letter to the Deputy Leader:

> Quiggin produces a range of assumptions on future revenue growth, which include a high case (3 per cent real), a medium case (1 per cent real), and a low case (1 per cent real decline) after an initial 5 per cent loss in market share. Both the high and medium cases upon which the break-even assessment of $7 billion is based are unrealistic projections.
>
> As you know, we have engaged expert advisers in this area who have undertaken sophisticated market and financial modelling which will be subject to independent review by the ACCC. None of the scenarios identified in this rigorous analysis justify such unrealistic projections for industry revenue.
>
> Further, the corporation's projections do not support such assumptions and at best would suggest steady maintenance of current dividend levels in real terms. By way of example, Quiggin is claiming that industry revenue will rise from around $913 million in 1995-96 to $1 209 million for the medium case and $1 562 million for the high case by 2006-07 during a period of intense competition in the national electricity market.
>
> Even in the regulated sectors of the industry transmission distribution, it is totally unrealistic to expect that Independent Industry Regulators would permit continuing real increases in prices and exponential growth in industry earnings; for example, industry earnings under the medium case, are projected to rise by 90 per cent by 2006-07. By contrast, the analysis assumes that interest rates will be constant through the period at current low levels.

Further on, the letter states:

> The centre's analysis, including the use of unrealistic earnings growth estimates, appears to be based on the premise that the competitive phase of the national market will be short lived. Future risk is always difficult to quantify, but what is certain is that competition and the deregulation of markets put downward pressure on earnings while significantly increasing the potential for losses.
>
> Unfortunately, South Australia has been through this experience once before when its Government guaranteed financial institutions found themselves operating in deregulated and competitive financial markets. I do not want to overplay comparisons with the former State Bank.
>
> However, as the various inquiries concerning its collapse demonstrated, as late as 1989 its board and management were projecting a steady increase in capital growth and returns to the State Government. In fact, the strategic plan drawn up by the bank in that year estimated the profits would grow by some 30 per cent per annum over the next five years, such that by 1994 the bank would be earning profits in excess of $370 million.

As members will know, the actual result was, of course, a loss of around 10 times that projected profit earning amount. So, clearly the Government's position is to reject and reject absolutely for the reasons I have outlined in the letter to the Deputy Leader this purported analysis that says we need to sell ETSA and Optima for $7 billion to at least break even, and that in some way we will lose money from our budget over the next 10 years if we sell it for anything less than $7 billion. There are some fundamental inaccuracies made by Quiggin and Spoehr outlined in that letter to the Deputy Leader—

The Hon. L.H. Davis: Quiggin has opposed every major privatisation in Australia—he's on the record.

The Hon. R.I. LUCAS: The honourable member rightly points out Mr Quiggin's position. I do not deny him that position if he wants it, as long as he uses factual information and does not get his base estimates wrong by at least $45 million and then use them in a compound way to project earnings growth over the next 10 years in an unrealistic fashion in an endeavour to bolster his own argument. The Deputy Leader says, and I quote:

> Quiggin and Spoehr were much more convincing in terms of estimates of income forgone.

We just cannot agree with that. The Deputy Leader then took me to task because I was claiming that we were paying $2 million a day in interest. The Deputy Leader said that it was $1.6 million a day. I refer the honourable member to the budget papers which have been released: they show that our net interest payments this year are $728 million. If the honourable member would like to do the calculations and divide 728 by 365, I am not sure how she would get 1.6 unless she was using a different number of days in a year to the figure the rest of us use.

The Hon. L.H. Davis: That means she's out by $146 million in one year.

The Hon. R.I. LUCAS: Yes, she's a long way short of the mark. There are a number of other issues that the honourable member raised but, given the time, I will not be able to respond to them. They are the major issues that I wanted to respond to from the honourable member.

The Hon. Mr Elliott in his contribution repeats the argument that there is no market risk. If the honourable member wants me to, I am happy to quote that, but that is a direct take from *Hansard*. He says also that there is minimal risk with Optima. I will quote the statements made by the Leader:

> ETSA's poles and wires, the transmission and distribution business, face no market risk. That is where most of the asset is.

As I indicated in response to the Deputy Leader, there is nobody in South Australia who believes there is no market risk in relation to the operations of ETSA and Optima now with the exception of the Deputy Leader and the Leader of the Australian Democrats. The Leader then went on to say:

> As Optima Energy has a near monopoly in South Australia its risk is also minimal.

Again, the Government disagrees with that position. The monopoly position of Optima is unsustainable given the points that his own Deputy Leader raised, that Mr Ed Willett from the NCC has highlighted the issue of market power and disaggregation as being the important issues for the NCC in relation to competition payments.

The only other major issue I wanted to address from the Hon. Mr Elliott was his claim and criticism of the Government in relation to the shallowness of the information, as he put it, that was made available from the Government to the Australian Democrats. Today, for the first time, I have placed on the public record a very small section of the letters and reports that we provided to the Deputy Leader of the Democrats during our discussions. The Leader then was very critical of the Sheridan report which had been provided to him, in saying:

> It is not a difficult task for the Government to set up a range of scenarios based on a range of selling prices and a range of interest regimes and to input other relevant data to show the budgetary impact. Each scenario, including its assumptions, would then be capable of analysis.

When he was challenged by me about the Sheridan report he said:

The Sheridan report only ran to six pages and while it had a couple of numbers at the end it had nothing which told us anything about the assumptions and workings to allow genuine analysis of how the conclusions were reached.

I seek leave to table a copy of the 10 page Sheridan report.

Leave granted.

The Hon. R.I. LUCAS: The Leader says there is no analysis in this of various sale proceeds, that there are a couple of numbers at the end and that that is all there is. I refer the Deputy Leader to a series of tables on pages 8, 9 and 10 of the document. Table 1 lists exactly what the Leader claims was not included—the gross proceeds of the potential sale from $3 billion right through to $7 billion; a range of assumptions on interest rates ranging through from 6 per cent, 7 per cent to 9 per cent, with an assumption in relation to the income flow and dividend stream from ETSA and Optima to the Government; and then a calculation on a matrix of the budget impact, the budget flow, and under all those assumptions the net budgetary savings. There is a further table on page 9 which talks about the budgetary interest cost impact on the budget as well.

I said to the Hon. Mr Elliott that, clearly, he had not read the Sheridan report if he was seeking to say that it had a couple of numbers at the end and had done nothing in relation to setting up a range of scenarios based on a range of selling prices and a range of interest regimes in his analysis. There it is on page 8—a range of sale prices, a range of interest selling prices, the budget impact, with the dividend and income flow which was available. That information was provided to all members and was explained when the honourable member came to visit with me in relation to this issue.

The Leader of the Australian Democrats, one day before he announced the decision with his colleagues, came to speak to me in relation to a series of significant issues which he said he still needed to have clarified in relation to cost penalties on loans, the penalties that might be incurred in the repayment of the debt and this whole issue of the net debt and possible penalties. I sat down with the Leader and went through all his questions.

I do not intend to repeat the detail of those discussions that I had with him. I think it was a surprise to him to understand that our $7 billion figure was already a net debt figure, that we had $13 billion of gross debt and $6 billion approximately of investments, and we had a net debt figure. So, frankly, if we got $5 billion and we put the cash in the bank our debt declines by $5 billion when it goes down to $2 billion, whether or not you repay your debt. That is the net debt figure reported by the rating agencies, the Auditor-General, the budget or whatever else it is. I think, to be fair, a number of members have not appreciated that issue.

As I said, without going into the detail of all of the meeting, at the end of the meeting I said to the Leader, 'What are your remaining questions on this issue of penalties, debt levels and the figures,' because that is what he talked to us about, and he left with me three specific questions which I answered the following day by way of fax and personal delivery of a letter.

The three questions that the Leader left with me in relation to the debt levels and the penalties issues were, first, were there risks on foreign currency loans? We had indicated at the meeting that we believed that they were all fully hedged but that we would check that. We confirmed that in the response on 24 June. The second issue was in relation to ETSA and Optima's retained earnings for 1998-99, and we provided those retained earning figures to the Leader. The third and final question concerned the 40 pages of loan details provided to the Leader. On a number of those there was a figure with 'N/A' next to it, and the Leader asked what that referred to. I thought it probably meant something like 'not applicable' or 'not available', and we checked with SAFA and it was actually 'not available'.

They were the three questions that the Leader left with me in relation to the whole issue of penalty and debt levels. The only other point that was made was when I said to him, 'Would you please leave your decision until after we make the statement on 30 June through the Premier?', and he gave me a similar response to the Deputy Leader. He said, 'You need to make the decision. If you want to give us further information in relation to those issues then you need to talk to us.' I then said to him, 'Look, until we get a sign-off on the ACCC or the NCCC we have some difficulty in relation to that.' The only questions that were asked were those three to which I replied to on the twenty-fourth. On two occasions I said to him, 'Are there any further questions in relation to the penalties issue or debt levels that you still have?' Those were the three questions the honourable member left with me for response, and I did so by way of correspondence on the following day.

I now turn to the contribution of the Hon. Mr Xenophon. To give credit where credit is due to the Hon. Mr Xenophon, I must say that he has been prepared to engage in rational and reasoned debate on this issue. He has not wanted to engage, in an overt way anyway, in the politics of the situation, although there is always a touch of subtlety about the approach that the Hon. Mr Xenophon adopts in relation to any matter, including this one. After all, he is one of us as a member of the Legislative Council and I am sure he is learning quickly the ways of members of Parliament.

However, as I said, credit where credit is due to the Hon. Mr Xenophon: he has engaged in debate and brought along his team of advisers. Even in some areas where I have a different viewpoint from him, I understand from where the honourable member has come. He certainly has not used inaccurate figures to back his argument but has come to a different conclusion in some areas from the Government. In the end he reached the same conclusion as the Government overall, namely, that the economic argument for the sale of ETSA and Optima is indeed a sound one and one at least, on that basis, that he would be able to support.

I point out to the honourable member that in the analysis that he and his economic adviser undertook the Government's case is not put just by the Sheridan paper. The Sheridan paper was asked to be prepared by the Government by Mr Sheridan, as a former Auditor-General, to try to answer the four most common questions that we were receiving in the first few weeks in a way that we hoped would be understood by a broader group than SAFA, operatives and others who are well experienced in Treasury and Finance and financial issues. The Government's case is not relying solely on Sheridan: it is one arm or one exposition of the argument. As the honourable member would know through the copious other material we have provided, we do not seek to be judged on the basis of the Sheridan analysis—that is one part of the Government's argument.

The honourable member has raised the issue of the mandate, and I know that this is an issue with which he has wrestled. He said publicly that he was not sleeping too well in the early stages of wrestling with his conscience on this issue. It is a difficult one for him. As I indicated in a number

of debates, this issue of mandate is a difficult one and we will not be able to resolve it in this debate. As I pointed out publicly to him, on issues such as voluntary voting, for example, it is difficult to reconcile a view of mandates when a Government goes to three consecutive elections promising voluntary voting—

Members interjecting:

The Hon. R.I. LUCAS: It is not misleading. I am not sure what is misleading about saying we have gone to three elections and have promised it.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I not sure about the difference between a promise to do something or not to do something. Clearly, they are both promises, and the promise on voluntary voting was to implement it. It is a difficult issue in relation to working out a Government's mandate on these issues, but I guess all of us in our own way will come to different conclusions, as so far it would appear that a number of members in the Chamber have done.

Without revealing the nature of any private discussions, the Hon. Mr Xenophon knows my views on such things as citizen initiated referenda and the abhorrence I have about continually going back to the people on a range of issues such as capital punishment and others which I know would be supported by the majority of people in a referendum-type environment but which I personally could never support and which a number of members of this Chamber would not support, either. However, citizen initiated referenda and other issues are matters for another debate.

We will need to defer the passage of this Bill to further explore the issues of mandate and whether a promise to do something is different from a promise not to do something; whether there are core and non-core promises; and whether the promise not to sell ETSA is more important than the promise to implement voluntary voting because you make a judgment that it is a more critical issue. They are difficult ethical issues and I am certainly happy to enter into constructive debate with the honourable member and others in relation to how we all individually might seek to resolve them. I am sure that the Hon. Mr Xenophon will be happy to engage in constructive and rational debate on that issue and others.

I thank the Hon. Mr Gilfillan for his contribution and for indicating that he, like the Government, although he came to a different decision, is not adopting an ideological position in relation to the sale of ETSA and Optima. The Government has been at pains to indicate that this is not an ideological position that it has adopted, and the Hon. Mr Gilfillan has indicated that he is not adopting an ideological position in relation to the sale of ETSA and Optima. The honourable member certainly indicated in his contribution a willingness to consider the economic merits of the case. His summary just before lunch on that Thursday was:

> We are not locked into the position of 'never sell a public utility', but if we make that decision we want to be assured that the interests of the people of South Australia will be protected in the quality, the assurance, the reliability and the price of such an essential service as power. On that basis I oppose the second reading of the Bill.

The honourable member set a challenge for the Government and me as Treasurer, and it is a challenge that I and the Government will take up with relish in an endeavour to consider not only the Hon. Mr Gilfillan but also other members in relation to that issue.

Before concluding, I refer to the contribution by the Hon. Mr Cameron. As Leader of the Government, I congratulate the Hon. Mr Cameron on his contribution to the debate. On this occasion and on most occasions the Hon. Mr Cameron will, whatever happens, continue to be a fierce critic of much of what the Government undertakes.

The Hon. T.G. Cameron: You can put money on that.

The Hon. R.I. LUCAS: I am sure I can. Actually, if the Hon. Mr Xenophon does not mind my betting on it, I could put money on it, I am sure. I do not want to offend the honourable member in any way—I am very sensitive to his requirements these days. Even though I am sure that on many issues we will continue to disagree: anyone with a 40 year history in the Labor movement, as the Hon. Mr Cameron has had, will on many occasions continue to disagree with the Government, whatever happens on this Bill.

As I said about the Hon. Mr Xenophon I say about the Hon. Mr Cameron: he entered with relish all the briefings. He pursued additional information and sought additional briefings from advisers, and the result of all that analysis was an incisive and well argued speech that he delivered just over a week ago in this Chamber. It was a courageous speech from the honourable member. We have seen in this Chamber the screws that have been applied to the honourable member, and some of those were near and dear to him. I am sure that most members in this Chamber will admire his willingness to withstand the pressure that has been applied to him over recent weeks because of public statements and indications that he has made and given in relation to this. I do not think any of us in this Chamber want to see those near and dear to us impacted in any significant way by a decision that any of us might take on a controversial issue in this Parliament. I hope that I speak on behalf of all members in this Chamber—Labor, Democrat and Government members and the Independent—when I say that we would not want to see that happen. Certainly, as it has obviously occurred—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: —I indicate on behalf of Government members and, I am sure, many others that we admire the willingness of the honourable member to withstand the pressure on this issue. We are pleased that the Hon. Mr Cameron has put the interests of the State ahead of his own personal interests in relation to this issue. That is the challenge for all members as we conclude this second reading debate: to put the interests of the State before our own personal interests.

Do we want to have a significant reduction in our State debt as we enter the new millennium? Do we want to be able to reduce significantly the degree of risk that our electricity businesses must endure in a competitive market? Do we want to be in a position to be able to generate up to an additional $150 million a year to spend on education, health and community safety? Do we want the extra money for which the Hon. Carmel Zollo continually argues for disability services? Do we want the extra money for which the Hon. Terry Roberts continually argues for the environment and employment projects?

Do we want the extra money to take the pressure off registration and licence fees paid by car owners for which the Hon. Mr Cameron has argued? Do we want the extra money to be able to provide jobs for the young people in the State for which the Hon. Mr Cameron, the Hon. Mr Roberts and other members in this Chamber have argued? Do we want the extra money for which the Hon. Mr Elliott continually argues for schools, for the children and teachers within our schools and for extra computers, which was the issue he raised yesterday? All members want to see additional money spent

on issues that are near and dear to them, but the brutal reality of our budget is that if you want it you will have to do something about it.

This Government has at least put down a coherent financial plan—a budget, a four-year strategy—involving the sale of ETSA and Optima to try to meet some of the demands that each member in Opposition and on the cross benches continually put to us as a Government. At least the Government has put a plan on the table. Where is the alternative to this plan? What have the Hon. Mike Rann, Kevin Foley and the Hon. Mr Holloway put on the table? They have put absolutely nothing by way of an alternative. It is easy to oppose—that is what Oppositions do for a living.

It is easy for members to oppose from the cross-benches to make themselves popular with the constituencies which they represent but, as we enter the new millennium, someone must make a decision. Some decisions will be difficult. It will mean that we must change views that we held in the past. It will mean that we will have to implement perhaps unpopular policies. It will mean that we will have to do something that perhaps the majority of people do not want, such as increase taxes or perhaps the sale of an ETSA or an Optima.

But, in the end, that is what Government is about. Government is about leadership and it is about putting a plan on the table. If the Opposition has a plan, let it put it on the table and let us make a judgment on it. But, after months of being challenged, Rann, Foley and Holloway will not put down an alternative. Magic pudding Mike says that we can do everything: we can oppose increases in taxes; we can stop expenditure reduction; and we can stop the sale of ETSA and Optima and still balance our budget and reduce our debt. The Hon. Terry Cameron does not believe that, and I am sure that in their hearts most members opposite know that the political response from Mike Rann will not work.

It is not a prescription to take us into the next millennium, but part of the solution is to support the second reading of this sale of ETSA and Optima. I urge members to support it.

The Council divided on the second reading:

AYES (11)

Cameron, T. G.	Davis, L. H.
Dawkins, J. S. L.	Griffin, K. T.
Laidlaw, D. V.	Lawson, R. D.
Lucas, R. I. (teller)	Redford, A. J.
Schaefer, C. V.	Stefani, J. F.
Xenophon, N.	

NOES (10)

Crothers, T.	Elliott, M. J.
Gilfillan, I.	Holloway, P. (teller)
Kanck, S. M.	Pickles, C. A.
Roberts, R. R.	Roberts, T. G.
Weatherill, G.	Zollo, C.

Majority of 1 for the Ayes.

Second reading thus carried.

The Hon. NICK XENOPHON: I move:

That it be an instruction to the Committee of the whole Council on the Bill that it have power to provide for a referendum.

Motion carried.

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

That the Committee stage be made an Order of the Day for Tuesday 22 September 1998.

Motion carried.

[Sitting suspended from 12.49 to 2.15 p.m.]

PRINTING COMMITTEE

The Hon. A.J. REDFORD: I bring up the first report of the Printing Committee 1997-98 and move:

That the report be adopted.

Motion carried.

EUROPEAN WASPS

The Hon. R.I. LUCAS (Treasurer): I lay on the table a copy of a ministerial statement made in another place by the Minister for Local Government on the subject of the European wasp control strategy.

QUESTION TIME

ROAD SAFETY

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before directing a question to the Minister for Transport on the subject of road safety.

Leave granted.

The Hon. CAROLYN PICKLES: I refer the Minister to comments in today's media made by Sir Dennis Paterson in relation to rural road safety and Parliament's inquiry into this matter. In fact, I raised this identical matter in Parliament on 1 July 1998 and, during the Estimates Committee, it was raised by my colleague Mr Jack Snelling, I believe.

The Hon. R.I. Lucas: Whatever his name is.

The Hon. CAROLYN PICKLES: I was merely trying to recall which of my colleagues raised the issue, and I believe it was Mr Snelling.

The Hon. L.H. Davis: They are very forgettable, I agree.

The PRESIDENT: Order!

The Hon. CAROLYN PICKLES: You are the most forgettable person in this place. My questions to the Minister are:

1. Does the Minister agree with the comments by Sir Dennis Paterson in the article that:

A major commitment from speeding fine revenue was necessary to battle road deaths. . . 'It would dispel the view that these enforcement activities are only revenue raisers.'

2. What percentage of highways funding is dedicated to road safety?

The Hon. DIANA LAIDLAW: No, I do not agree with Sir Dennis Paterson on this matter and, as I was reported in the *Advertiser* today, it is my belief that with the increased sum of $7 million, making $14 million from the Highways Fund alone, to fund police activities for enforcement purposes this financial year, and with the other infrastructure and education activities in terms of road safety, embracing vehicles, cycles and pedestrians, the honourable member would find that the funding overall would be very close to the proportion of funds that Sir Dennis has sought from fines for road safety matters.

Every member of this Parliament would be aware that, when their Party is in Government, there is a healthy suspicion of the hypothecation of fines, and this Government has the same healthy suspicion of that matter. Members would also be aware that, if it is so allocated from fines to road safety, if Parliament in time agrees that there be demerit points for radar camera offences, one would assume that the fines may well decrease and Sir Dennis would not have achieved what he says he now wants, and that is increased

funding for road safety. Sir Dennis has been one of the strongest champions of demerit points for radar detection offences for speeding. To me, there seems to be some contradictions in his arguments. He may not have thought through the ramifications of those arguments.

In my experience, on occasions Sir Dennis has had some difficulty in accepting that there are opinions other than his own that had to be considered in road safety issues, but there were many issues that I supported and the Government backed strongly. In a democracy, other views have to be accepted from time to time, and that was difficult for the Chairman to accept and I respect that. He is conscientious and enthusiastic, and he was appointed for those reasons to chair the council in the first place but, when the council could not completely fulfil its charter in terms of community road safety, it was best to part ways. We have done that and Transport SA is now seeking to have a much stronger emphasis on community road safety. I will be in a position to announce the composition of the consultative group and the advisory network to the Chief Executive of Transport SA in the very near future.

The Hon. CAROLYN PICKLES: Can the Minister answer the second part of my question, which I am happy to take on notice? What percentage of highways funding is dedicated to road safety?

The Hon. DIANA LAIDLAW: I did answer that question arising from Estimates, but I will happily regurgitate that for the honourable member to save her looking back in *Hansard*.

GOODS AND SERVICES TAX

The Hon. P. HOLLOWAY: My question is directed to the Treasurer. First, does the Treasurer fully support the Howard tax package, including the goods and services tax, which was announced last Thursday, now that he has had a week to examine it? Secondly, has he made or will he make any submissions to the Commonwealth in relation to any aspects of the package and, if so, what aspects? Thirdly, how does the Treasurer justify the fact that under the Howard tax package—and on the figures used in that package—the Treasurer will gain an increase in weekly after tax income of around $100, while a single unemployed person will gain just $2.54?

The Hon. R.I. LUCAS: My views have been pretty clear in relation—

The Hon. L.H. Davis: You had 30 years to do something about it and you did nothing.

The PRESIDENT: Order!

The Hon. P. Holloway interjecting:

The PRESIDENT: Order! The Hon. Mr Holloway has asked his question.

The Hon. R.I. LUCAS: My views on the national tax reform have been on the record for some time. I have been a strong supporter of national tax reform, an element of which would be the implementation of a goods and services tax or a broad-based indirect tax as it was originally being described. There is no secret in relation to my general support. In relation to the detailed aspects, as always, being the cautious person that I am, I will take some time to look at the details of the package and, if we think there are areas where it might be improved or there might be a problem in relation to South Australia's best interests, obviously, at the appropriate time, we will take up the issues. Ultimately, this has to be voted on at a Federal election and it will only be if the people of Australia warmly embrace it and the Prime Minister and the Federal Coalition implement the details that we will need to get serious in terms of its implementation.

We will continue to do some work—it has been a week. One or two issues have been raised with me which we are still exploring and, when we are in a position to either take the issues up definitively with the Commonwealth and/or take them up appropriately publicly, we will make those decisions at the appropriate time.

OLYMPIC GAMES

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Recreation and Sport, a question about the Sydney Olympics.

Leave granted.

The Hon. T.G. ROBERTS: The honourable member laughs; I am not quite sure why he is laughing. Most of his interjections have a point, but to laugh at a question—

The Hon. L.H. Davis: I was just smiling; I was just happy.

The Hon. T.G. ROBERTS: I am glad. What are you happy about? Sorry, could the honourable member share—

The Hon. L.H. Davis interjecting:

The Hon. T.G. ROBERTS: —the happiness with the question? Perhaps if I repeat the question again the honourable member might get another laugh. I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Sport and Recreation, a question about the Sydney Olympics.

The PRESIDENT: I thought leave had already been granted. Leave is granted again.

The Hon. T.G. ROBERTS: A committee has recently visited the Olympic 2000 site and it is quite clear that not only in relation to the debate on ETSA but on lots of other matters financial and economic the Sydney 2000 Games is sucking in a lot of capital and infrastructure. It is no secret that all South Australian, Victorian and Queensland tradespeople have all moved to Sydney to rake in some of the benefits of this infrastructure and it is one of those areas of the economy that is booming. It is quite clear that Sydney itself will not be able to accommodate many of the requirements for facilities for a lot of the visiting teams, including sporting fields, swimming pools, athletics tracks and so on. While the Sydney people can glow in a lot of the infrastructure support that is required, there is a feeling around Australia that it is only a Sydney Olympics and not an Australian Olympics. There is a challenge for the rest of the States—and the rest of New South Wales for that matter—to try to get a part of the action and activities.

It is quite obvious that South Australia has a lot of facilities lying idle for large parts of the year which, by invitation, could be used. These possibilities should be investigated. I know some countries are far more cashed up than others when they go to visiting nations for orientation. Some can arrive six to eight weeks before the Olympic Games and Third World nations are lucky to be able to arrive at all and, if they do arrive, most of them are entering their sporting arenas with jet lag. I suggest that the State Government work with the Sydney 2000 committee to make available some of our facilities so that we can get some benefit from it and perhaps assist some of those Third World nations to arrive a little earlier and perhaps use some of the sporting and accommodation facilities that we have in this State. My questions to the Minister are:

1. Will the Government investigate with the Sydney Olympic 2000 committee the possibility of maximising the use of South Australian sporting facilities and accommodation?

2. Will the State Government take up this matter with the Commonwealth Government as a possibility of using this offer as a form of aid and subsidy to these impoverished nations which include Africa, South America and the Caribbean?

The Hon. K.T. GRIFFIN: I take if from that question that the honourable member supports the work that we are doing at the Hindmarsh Stadium to extend that so that we in South Australia can host a round of the Olympic soccer. The honourable member may not recollect that we will have some teams here in relation to cycling. We will have, as I indicated, soccer, and, as I understand it, there are other sports and teams seeking to use Adelaide's facilities, including the athletics track. So, there is no doubt that we are out there trying to woo teams and others to come to South Australia as part of the Olympic Games push. There are other activities in which the Government and the private sector are involved designed to get South Australian companies work as contractors and subcontractors as part of the build-up to the games. I do not have all the information available. I know the Minister will; I will bring back a reply.

JULIA FARR SERVICES

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister for Disability Services a question about workers' compensation claims made against Julia Farr Services.

Leave granted.

The Hon. J.F. STEFANI: Julia Farr Services is a self insured Government employer agency. In recent months, I have been assisting a constituent who has sustained an injury whilst working at the Julia Farr Centre. My questions are:

1. How many workers' compensation claims have been lodged with Julia Farr Services by employees during the past 12 months?

2. What has been the total cost of these claims?

3. What was the amount paid by Julia Farr Services for the past 12 months to the independent medical examination centre?

4. What was the total amount paid by Julia Farr Services during the past 12 months to various legal firms engaged by Julia Farr Services to handle workers' compensation matters?

The Hon. R.D. LAWSON: I am aware that he honourable member assists various constituents in various matters, including workers' compensation claims. I do not have readily to hand the information which he seeks. I will seek that information and bring back a reply.

SA WATER

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about the introduction of two new fees by SA Water in the 1998-99 financial year.

Leave granted.

The Hon. SANDRA KANCK: When the State Government outsourced the management of SA Water, the then Infrastructure Minister, now Premier (Mr John Olsen), promised:

> There will be a 20 per cent saving to consumers in South Australia in the delivery of water and waste water services—non negotiable.

As members of the Chamber will be aware, since the introduction of the user pays system in 1995, the bill for the use of 250 000 litres of water per annum has jumped from $220 in 1995 to $274 this year.

The latest edition of *Business SA* reveals that SA Water intends to levy new fees against commercial and industrial customers for use of the sewerage system. There has been no consultation with business regarding the introduction of these fees. On 1 August, SA Water introduced a trade waste application fee of $195 for commercial operations and $360 for industrial operations. From the beginning of September, SA Water will begin levying a compliance audit fee of $65 per inspection for commercial operations and $80 for industrial operations. These fees are not levied in respect of the quantity or quality of the waste discharged into the system. In effect, they amount to a flat tax upon users of the system. My questions to the Minister are:

1. Why did not the Government consult with representative bodies of the consumers affected by the introduction of the new fees?

2. Will the Government consider varying the charge on the basis of quantity and quality of the waste discharged into the system?

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

FOOD CATERING

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 about the Food Act.

Leave granted.

The Hon. CARMEL ZOLLO: I have received several inquiries from within the catering industry, both as a candidate and since being elected, concerning the regulations and legislation under which our food caterers operate. I appreciate that the area is a complex one because of the large number of people involved in various stages of the chain, from food growing, preparation, delivery and final presentation. Everyone involved must understand and practise the fundamental rules of good and proper food hygiene. Any lapse can have a serious impact on people, both customers and workers involved in the very important hospitality industry in South Australia.

Regrettably, there have been several well-publicised breakdowns in hygiene in South Australia and elsewhere. Caterers in particular are concerned because, given that they are part of the chain of service providers, they are never wholly responsible for what they present. Insurance for smaller caterers in particular is therefore difficult to obtain.

During the 1997 election campaign, the Liberal Party in its policy statement committed itself to a redraft of the Food Act. Can the Minister advise whether the process of redrafting the Food Act has commenced and whether caterers and other interested parties have been invited to submit comments? Also, what time line has been established to complete this redraft?

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

SCHOOL ZONES

In reply to **Hon. CAROLYN PICKLES** (19 March).

The Hon. DIANA LAIDLAW: Following my ministerial statement on 17 February 1998, I have been advised by the Minister for Police, Correctional Services and Emergency Services that a few such notices were processed after the date owing to the technicalities of the computer system used to process expiation notices and the difficulty of instantly ceasing the processing of notices in a particular category.

Those notices that did slip through the system were later reviewed and withdrawn in accordance with the Government's policy.

AUSTRALIAN DANCE THEATRE

In reply to **Hon. CAROLYN PICKLES** (5 August).

The Hon. DIANA LAIDLAW:

1. Mr Myhill is a business consultant and solicitor with skills and experience in developing a viable structure for business in various fields including film and television, education and financial services. He was a member of the working party which developed a new structure for the Adelaide Symphony Orchestra and is currently a member of the Libraries Board of South Australia. The issues Mr Myhill has been asked to review are ones with which he has become very familiar through his association with the arts sector and other areas of best practice in business.
2. $20 000.
3. The review has been initiated by Arts SA, with the support of the board, to establish whether the legal and other structural arrangements under which the company operates provide an environment which is best suited to the needs of a contemporary dance company. The review aims to ensure the company is able to sustain high artistic standards and a high level of performance output internationally, nationally and locally within its current level of financial assistance from its State and Federal funding authorities.

The terms of reference, which I have already tabled in the Legislative Council provide that the review will examine the history of succession of the company's artistic directors in order to identify any common elements that have created particular difficulties.

4. I have already tabled the terms of reference in the Legislative Council.
5. Arts SA, as the principal source of funds for the Australian Dance Theatre, initiated the review. The artistic director, as a contracted position to the company, was not consulted regarding the terms of reference. However, Mr Myhill will be consulting with a number of people in the course of the review, including the board, management, current and previous artistic directors, funders and best practice arts organisations in Australia. He will also be inviting written submissions from all interested parties.

RAILWAYS, BLUEBIRD

The Hon. R.R. ROBERTS: I seek leave to make an explanation before asking the Minister for Transport a question about Bluebird railways.

Leave granted.

The Hon. R.R. ROBERTS: Members would remember that I raised this matter with the Minister for Transport on Tuesday, and I understand that she has made some inquiries about that. I have since been advised that the company that runs the very successful trips, known as the Bluebird company, has now on-sold the company or has leased it to Australian Coachlines. I have been advised of some concerns by businesses in the Barossa who are concerned that an arrangement has been made whereby those tourists will get off their train onto an organised Australian Coachlines bus, and they will be denied access to those tourist dollars. I understand also that this is a private company and a private company can on-sell its operations, although I understand that this is a lease arrangement.

The question I asked on Tuesday becomes more pertinent because it is my understanding that the State Government is providing some money, and that has been confirmed by another source, but I will be guided by the Minister's inquiries. What is the intention of the Minister with respect to works being done under this new arrangement rather than having it as an open tourist operation now that it is apparently becoming a closed shop private enterprise arrangement? Will those Government moneys still be available to continue with the upgrading of the track from Angaston to Nuriootpa?

The Hon. DIANA LAIDLAW: There are two different issues here. The funding and the ownership of the line by ASR (Australian Southern Railroads), and its relationship with Transfield in terms of any maintenance upgrade work, and the ownership of Bluebird, which is simply an operator on that line. I will be meeting with principals of Bluebird tomorrow. They have sought an appointment to discuss various operating issues, and I will take the opportunity to raise with Bluebird principals tomorrow the matters raised by the honourable member. If we are sitting next week, I will bring back a reply then to the honourable member's questions.

GAMING MACHINES

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Treasurer a question about poker machine losses in the City of Adelaide.

Leave granted.

The Hon. NICK XENOPHON: Recently I was contacted by a constituent who is undertaking a research project on the impact of poker machines in the City of Adelaide. He asked me if I could provide him with details of poker machine losses in the City of Adelaide. The Treasurer may be aware as to the difficulty of obtaining such information on a postcode by postcode basis, using the argument, I understand, of commercial confidentiality. Given that there are a number of venues in the City of Adelaide with a number of owners, the issue of commercial confidentiality could not possibly be a reason. Will the Treasurer undertake to provide details of net gaming losses on an aggregate basis in the City of Adelaide on a month by month basis since July 1994?

The Hon. R.I. LUCAS: It seems a reasonable question, but I had better take some advice on it just in case there is something hidden behind it. I will take up the issue and try to provide a reasonable response.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I must admit that this does go back quite some time and I thought we had corresponded on the issue. Clearly we have not. If we have not, I apologise for that. I will take up the issue with the appropriate officers and bring back a reply as quickly as I can.

O'SHEA, Mr L.

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Correctional Services, a question about prisoner rehabilitation.

Leave granted.

The Hon. IAN GILFILLAN: South Australia's most notorious paedophile, Laurence O'Shea, is due to be released on Monday 31 August after spending 14 of the last 20 years in gaol. There are those in the press and the public who say that he should not be released at all, but a court has decided that he should have a new chance at freedom, and the Parole Board has laid down what are reputed to be the toughest parole conditions ever set for a sex offender.

I notice that two of the parole conditions published in the *Advertiser* on Saturday 15 August are that O'Shea must attend sexual counselling and must complete psychiatric and psychological treatment. No-one is disputing that O'Shea needs treatment. This is something in which he, as an offender, and the South Australian community have exactly the same interests and objectives. No-one, not even Laurence O'Shea, wants to see Laurence O'Shea released while unable to control his sexual urges.

On Friday 1 May this year, Justice Perry of the South Australian Supreme Court recommended that O'Shea be released after reviewing his case. In his summary of reasons, Judge Perry made reference to remarks made by other judges who have dealt with O'Shea in the past. In 1978, the last time O'Shea was sentenced, Justice Sam Jacobs recommended an indeterminate—not indefinite—period of detention. Justice Jacobs said:

> His progress and his treatment, which I am sure will be undertaken, will be under constant review.

Six years later, Justice Jacobs reported that his order had not been achieved and its purpose had been frustrated. Some 12 years later, in December 1996, Justice Olsson stated that 'all reasonable steps' should then be taken to provide the means of achieving O'Shea's rehabilitation while he was still in custody. Justice Perry observed in May 1988 that this had still not happened. He said:

> Psychiatric treatment given early in the detention has had no effect in ameliorating Mr O'Shea's condition, and there has been very little, if any, psychiatric treatment since.

In fact, since Justice Olsson's judgment in December 1996 there has been no treatment at all, not even a failed attempt. Justice Perry must have been an optimist because, in deciding that O'Shea would be released on licence, he called for 'some sort of pre-release program to be devised and implemented'. He said:

> I assume that this will be carried out by the Department for Correctional Services.

However, Judge Perry was wrong. In the last three and a half months I have been informed that nothing has been done to prepare O'Shea for release.

So we have had a combination of no effective treatment over 14 years and now a disregard of what was supposed to be a last-minute effort in the last four months of O'Shea's incarceration. Since Judge Perry's order, no resources were allocated to achieve the goal of rehabilitating O'Shea. There may be supervision of him after release but absolutely no funds have been allocated to any effective psychological, psychiatric or medical attempt to change his behaviour.

Interestingly, this Government (before it became the Government) made a commitment to rehabilitation of prisoners. The Liberal Party's 1993 policy states:

> A Liberal Government will. . . make rehabilitation and education of every offender a priority.

Obviously that commitment was forgotten in Government and, conveniently in the 1997 election, no mention was made of that sort of thing again. Under the heading 'Rehabilitation Programs' the 1997 Liberal policy now promises every prisoner not even an attempt at rehabilitation but merely an 'educational profile'. However, it is obvious to all that a mere educational profile for Laurence O'Shea will not be enough to change his behaviour.

Why has the Correctional Services Department either ignored or not been funded to carry out the orders of Justice Jacobs in 1978, Judge Olsson in 1996 and Justice Perry in 1998 to treat this man before release? Should not the people of South Australia be justifiably outraged that this State's most notorious paedophile, who has been in custody for 14 of the past 20 years, has had no effective treatment for his behavioural problems in all that time and is now about to be released untreated?

The Hon. K.T. GRIFFIN: There are issues which will have to be considered by the Department for Correctional Services and its Chief Executive Officer in particular. I do not have all the answers at my fingertips. I will undertake to refer them to the Minister in another place so that I can bring back an appropriate reply.

SCHOOL ZONES

The Hon. R.R. ROBERTS: I seek leave to ask the Minister for Transport a question about school zones.

Leave granted.

The Hon. R.R. ROBERTS: Members would be aware that the new system of school zones is in operation and is being trialled. I understand that at this stage the police are still only issuing warnings and not issuing fines. A matter has been brought to my attention and I have made some personal observations with respect to school zones. I am aware that on main arterial roads where there are traffic operated lights there is a different arrangement.

The area that has been brought to my attention is on Prospect Road at the side of the Blackfriars Catholic college. Along that road—and I have made some observations—further down from the college there is a sign indicating 'children crossing' by a preschool or a childminding centre and no zigzag lines to indicate that motorists are approaching a school. I also understand that there are some arrangements where there are traffic operated lights, but I point out that that school goes for a couple of hundred metres and the lights only operate in the centre of the road in front of the school.

Of particular concern to me is the street (I think it is called Te Anau Avenue) which runs along the side of the school. I note that there are no indications of school zones in that street. In Ballville Avenue, where Prescott College is situated, I note that there are road markings to indicate a school zone. Why are there speed zones for some private schools? Is this just a matter of timing or will they all be fixed up at a later date? Is there some system of which I and my constituent is not aware?

The Hon. DIANA LAIDLAW: There are some bits and pieces that I would like to respond to immediately. If it is correct, as the honourable member has described, at the child minding centre, that is not provided for in the Act in terms of school zones. The situation in South Australia is different from other States in that we provide for school zones at kindergartens. That is not the case interstate. In South Australia we do not provide for child-care centres. That is an issue that has been considered by the Pedestrian Facilities Review Group over the past 18 months and by the Hon. Carolyn Pickles, Sandra Kanck and me when discussing the school zone issue earlier.

I have given an undertaken that in any assessment of school zones, zigzag lines and the bigger, brighter signs over the coming year we will look at child-care centres and safety zones, although there is, I think, a strong argument to say that with the age of the children at child-care centres most would be accompanied by a parent which in most instances makes it quite a different proposition than a kindergarten or school. If it is a childminding centre and the signs are different they

may be signs that the council has put up, but they would not be signs authorised under the Road Traffic Act.

In terms of Blackfriars and the side street, if there is no school zone in the area that is possible if there are no access points in the side street. Generally, where there are flashing lights there is no school zone arrangement and we rely on the flashing lights or the pedestrian activated lights. I will have this checked because there would not be the zigzag signs painted on the roads leading up to a pedestrian activated or flashing light crossing, because they are not embraced by a school zone. With the aid of a street map and going out to the site, I think that Transport SA officers could provide me with a more detailed response to the honourable member's concerns, but I offer those observations at this stage.

PARLIAMENT HOUSE CAMERAS

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking you, Mr President, a question about in-house cameras.

Leave granted.

The Hon. G. WEATHERILL: The *Advertiser* this morning contains a statement made by the Speaker of the House of Assembly concerning his going to Western Australia with the Clerk of the House of Assembly to look at having cameras fitted in both Houses of Parliament so that they can transfer to the radio stations and television stations. I am a member of the JPSC and I do not remember the matter of the installation of set cameras in the Houses of the Parliament having ever been raised. Have you been approached, Sir, by the Speaker of the House of Assembly on this matter?

The PRESIDENT: I thank the honourable member for his genuine question without notice. I did read the article in the *Advertiser* this morning. The simple answer to your question is that I have had no official discussion with the Speaker about providing facilities in the area of fixed television cameras for this Council, although he did tell me in passing that he and the Clerk of the Assembly were going to Western Australia to look at their facilities for broadcasting. That has not been officially transmitted to me.

The honourable member made a reference to the Joint Parliamentary Service Committee, which has nothing to do in this case with the provision of services for televising of still photography within this Chamber. It might have something to do with the provision of monitors in members rooms, but generally it would rest with the Presiding Officers and their advisers.

NATIVE ANIMALS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Development, representing the Minister for Environment and Natural Resources, a question about the export of native animals.

Leave granted.

The Hon. M.J. ELLIOTT: I draw the Minister's attention to an article in the Brisbane *Courier Mail* of 28 July which refers to illegal international trade in animals and in particular refers to trade on the Internet of sugar gliders, Major Mitchell cockatoos, snakes and even wallabies. It quotes a few of the Internet sites as follows:

> During action the sugar glider looks like a flying carpet out of the Arabian nights—it's a pocketful of fun.

Another site said of Major Mitchell cockatoos:

> Talk about unconditional love; these fluffy and gorgeous kids are the things of cuddles.

Some people may be in for a surprise. Importantly, these animals are being advertised on the Internet. It says that most prices are available only on application, but cockatoos can go for as much as $32 000. The World Wide Fund for Nature's Jane Holden is quoted as saying that there are huge problems with the enforcement of export bans on Australian wildlife. She says that customs considers that the role of enforcing animal protection is one for Environment Australia, which has no resources. My questions to the Minister are:

1. What efforts are the South Australian Government making to fight the illegal export of our native animals?
2. Does the department have the ability to monitor the level of poaching of native wildlife going on in South Australia?
3. How many poachers of native animals have been caught in South Australia in the past five years?
4. Finally, will the Minister or the Health Minister give any indications as to how much of the trade in native animals is a counter trade for drugs being brought into the country?

The Hon. T.G. Roberts: And guns.

The Hon. M.J. Elliott: That is a supplementary.

The Hon. DIANA LAIDLAW: I will refer all questions, including the supplementary question, to my colleague and bring back a reply.

SPEED CAMERAS

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Attorney-General a question on speed cameras.

Leave granted.

The Hon. T.G. CAMERON: Today's *Advertiser* editorial states:

> Hiding the camera fuels the belief that the Government pays lip service to safety and is really only interested in the $52 million in revenue.

The editorial went on to state that:

> There is nothing like the sight of a camera to ensure that limits are heeded: that is their presumed purpose. The way the cameras are perceived to be used adds up to the biggest single public relations exercise for the South Australia Police.

In the light of today's *Advertiser* editorial, will the Government ensure that the PSSD, when operating the new high-tech police speed cameras which will be dashboard mounted, will ensure warning signs are erected in order to slow down motorists and, if not, why not?

The Hon. K.T. GRIFFIN: I saw the article in the *Advertiser* and have not had an opportunity to talk to the Minister for Police, Correctional Services and Emergency Services. I will take the question on notice, refer it to him and bring back a reply.

EUROPEAN CURRENCY

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer a question on the effect of the new pan-European Union currency, the Euro.

Leave granted.

The Hon. CARMEL ZOLLO: On 1 January next year the Euro will become legal tender in 11 European countries to be used parallel to national currencies until the year 2002, when it will replace them. The introduction of the Euro is

considered to have a significant effect on global commerce and is the most important currency introduction of our time. It is set to spread across Europe and become a standard to rival the United States dollar. The Euro will have considerable impact on Australian export industries with markets in Europe.

Reports have indicated that, whilst most Australian accounting and financial packages deal with currency conversions, very few operate with multiple currencies internally, and according to experts this will make or break European export arrangements. Whilst multiple currency transactions are not new, the Euro is unique as it will involve a process called 'triangulation'. This system is designed to ensure that none of the participating currencies is disadvantaged by the conversion process. For example, a deutschmark may give you a certain amount of francs, but the same number of francs converted back through the Euro may give a slightly different number of deutschmarks.

Much attention has been placed on the impact of the millennium bug or the Y2K problem, but potentially the Euro has an equally devastating impact on Australian businesses exporting to Europe as transactions must occur using both Euro and local currencies. The impact of the Euro is only months away. My questions to the Treasurer are:

1. What is the South Australian Government doing to address the effect of the Euro in South Australia?

2. What programs are available to assist export businesses in South Australia to prepare for the Euro?

3. Are the Departments of Treasury and Finance and Industry, Trade and Tourism Euro compliant?

The Hon. R.I. LUCAS: I thank the honourable member for her question. I will take advice from Treasury and the Department of Industry and Trade and provide her with an answer as quickly as possible.

STATE ECONOMY

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question on vertical fiscal imbalance.

Leave granted.

The Hon. P. HOLLOWAY: On 14 August the former Secretary to the Commonwealth Treasury, Mr John Stone, said that if Premiers were in any way interested in retaining the relevance of their own States as entities in the Federation they would tell the Commonwealth to 'go and get bloody well get lost'. Mr Stone said:

> This is a bizarre thing. In 1901 we had a situation where we ushered in Federation. In the year 2001 those two great centralists—Howard and Costello—were ushering the Federation out again and it will be centred in Canberra.

Does the Treasurer agree with the former Secretary to the Treasury that the Premier should tell the Commonwealth to 'go and get bloody well lost' and, if not, what agreements has the Government negotiated with the Commonwealth and the Prime Minister to protect the States' funding base?

The Hon. R.I. LUCAS: We are much nicer people than the former Under-Secretary to the Treasury and will not tell the Prime Minister to 'go and bloody well get lost', or whatever the invitational phrase was from John Stone.

In relation to the second question, I have provided previously to the Parliament some discussions which commenced last November at the Leaders' or Premiers' Conference with the Premiers, Prime Minister, Treasurers and Federal Treasurer, and there was broad discussion about the issue that the honourable member has raised. Since then there has been some officer level discussion, and clearly the States have expressed their view and I mine on giving the States greater control over their funding base than currently exists.

Certainly the current proposals from the Commonwealth Government in relation to national tax reform provide the Federal Government's offer in relation to an attempt to resolve the issue. In large part it will depend on whether their out-year estimates well into the first decade of the next millennium are accurate. If they are accurate in terms of the growth and the growth in the GST revenues that will flow to the States and Territories, potentially it will be attractive for the States and Territories.

As I indicated in response to a question on Tuesday, this Parliament will not see any growth in the GST revenue. The earliest that States are likely to see increased growth under the proposed changes when compared to the existing arrangements, based on what the Commonwealth is telling us, will be about 2003 or 2004. So, a bit of water is yet to flow under the bridge. Everything does not have to be resolved in the next week. As I said in relation to the earlier question, the Deputy Leader obviously is making an assumption that the coming Federal election will go in one direction and that it is not in our interests to wait to see what the Federal Opposition has to offer in terms of vertical fiscal imbalance.

That is possibly a reasonable assessment by the Deputy Leader about his Federal colleagues' prospects at the coming election, I do not know. I am always a little more cautious than that. I think we will have to wait for the Federal election to see which Government is elected. Obviously, we will then negotiate with whatever Government is in office in the best interests of the State. We know roughly what is being offered by the current Commonwealth Government but, should there be a change, we will need to see—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I am always a cautious man. You will never see me being buoyant about anyone's prospects at an election. I have been around too long to be saying—

Members interjecting:

The Hon. R.I. LUCAS: The Hon. Terry Roberts says that is why I am in the Legislative Council. Based on my experience it does not pay for anyone to be over-confident in the political world. I would have thought that, based on his own experience with his own Party, the Hon. Mr Holloway might well support my cautious approach to these matters. It is not always the people who get you: sometimes it is your own colleagues or others who sort you out—even if they redistribute boundaries around you, as they did to poor old Terry Groom some years ago. I will not be diverted. As I said, there are reasonable prospects in the latter part of the first decade of the next millennium if we accept the current growth estimates from the Commonwealth Government.

TRANSADELAIDE DRUG TESTS

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

Leave granted.

The Hon. CAROLYN PICKLES: I have raised this issue with the Minister in a private conversation, but on 12 August an article appeared in the *Advertiser* which indicated that more than 1 300 TransAdelaide bus, train and tram drivers

and other staff will face random drug tests next year. The article states:

> TransAdelaide denies the plan was prompted by a recent drugs incident involving one of its train drivers, saying drug test talks began before the incident.

My questions to the Minister are:

1. Is the Minister able to indicate the extent of the problems of drug taking in TransAdelaide to warrant random drug tests?
2. Is she able to indicate what kind of tests will be used?
3. Will Serco drivers also be involved in any kind of random drug testing and, if so, have the relevant unions been consulted on the matter?

The Hon. DIANA LAIDLAW: At this stage a policy has been developed between TransAdelaide and the Public Transport Union. I do not have a copy with me now but it has certainly been discussed with the work force. I should have thought that, while it is an operational issue, I would still be alerted to the outcome of those discussions, and I have not yet received such advice. I believe that there would be some merit in extending across the system any drug policy decisions that may be adopted by TransAdelaide. Certainly, TransAdelaide has a drug-free policy at the present time, but it is the implementation of that policy that is now being discussed further.

Under the Rail Safety Act which this Parliament has passed and which is now being implemented, I would think that, certainly, there are drug-free requirements. Across the public transport sector one will find that whatever Trans-Adelaide adopts in agreement with the unions in terms of practice probably flows on to other operators. However, I will obtain more information, including advice on Trans-Adelaide's and the union's understanding of the extent of the issue within the work force.

GREEN TRIANGLE COASTAL ROAD

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about a green triangle coastal road.

Leave granted.

The Hon. T.G. ROBERTS: A lot of discussion has occurred in the south-eastern and western districts of Victoria about the continuation of a coastal road from Portland along the Princes Highway through and joining the coastal road that runs between Beachport and Kingston. That is a very picturesque area of both States, as well as of the nation. Victoria enjoys a large visitation from people, particularly those from overseas, as well as local Victorian and interstate visitors who seem to end their journeys around about Warrnambool and Portland.

Even though the inland route is very picturesque between Portland and Mount Gambier, people seem to terminate their trips at that point, and South Australia does not get the spin off that I believe it deserves. People have been and still are working on ways to encourage visitors to continue their trips by linking into the wine industry, which will take them through Dergholm, the southern Victorian vineyards and into the Coonawarra area. The other way is to try to link their visitations through coastal regions and towns. People in the South-East are interested in what work is being done between the Victorian and South Australian Departments of Road Transport to try to achieve that linkage.

Is Transport SA working with the Victorian Department of Road Transport to investigate the routing of a coastal road along the Princes Highway, taking into care and concern the number of national parks and environmentally sensitive areas that exist in those parts of the States?

The Hon. DIANA LAIDLAW: I will have to obtain more information on that matter. I can, however, alert the honourable member to the fact that a meeting of South Australian and Victorian border councils will be held tomorrow in Mount Gambier, and a transport strategy for the region is being considered. I have given an indication that if, as a result of that meeting, a proposal is submitted for a joint-funded study between councils on both sides of the border—and the honourable member has now given me the idea that we should also be seeking Victorian Government's road transport funds—certainly Transport SA and I would be pleased to consider such a submission.

The road that has most frequently been canvassed with me, in terms of new roads in the area, is the forestry survey road that runs north-south down South Australia's side of the border. It has been considered that if there was some investigation into the sealing if that road, particularly for freight purposes, much of the anxiety of towns, such as Penola and the like, would not be so great in terms of their requests for bypass roads. So, that proposition of a sealed road down the forestry survey reserve alongside the border is one option. The coastal road to which the honourable member has referred is certainly another.

I am very keen generally to see a freight survey in the area, not just a road survey, because Australian Southern Railway has two years from last October to consider options for operating the rail line. If we are looking at roads in the South-East area between Portland and Mount Gambier, and then up to Wolseley, we should be looking also at standardised rail operations, not just road options. If the Green Triangle councils agree tomorrow to put such a proposition to me and Transport SA, they are aware that we would entertain a joint funding proposal.

HOSPITALS, CLINICAL INFORMATION SYSTEM

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question regarding a proposed clinical information system for public hospitals.

Leave granted.

The Hon. SANDRA KANCK: A clinical information system (CIS) has been proposed for renal units at public hospitals to improve management and clinical work practice. Last year, as a forerunner to a proposed enterprise-wide CIS, a pilot project was set up which was concluded last December. Since the inception of this project, the renal units at the four major metropolitan hospitals have been fully committed to this system and improvements have already been made in patient management and clinical work practice. Furthermore, all renal units have investigated ways to get the best out of the CIS. Staff believe that the new system will lead to improvements in clinical efficiency and in patient outcome, both within the hospital sector and the community.

However, the system has been beset with a number of problems, poor response times, slow transfer of data from laboratories into the system and instability leading to frequent periods when the system is unavailable for use. A temporary hardware upgrade was installed for one week which significantly improved the situation, but that has not continued. My questions to the Minister are:

1. Does the Minister agree with the hospital staff who are using the system that it will lead to important improvements in clinical efficiency and in patient outcome?

2. Could the Minister advise the status of the proposed enterprise-wide clinical information system?

3. Does the Minister consider that people on dialysis could be impacted if a more permanent hardware upgrade is not provided?

4. Does the Minister agree that increasing disenchantment with the current information system is leading to staff dissatisfaction and decreased use of the system?

The Hon. DIANA LAIDLAW: I will refer all those questions to the Minister and bring back a reply.

SPENCER, MR L.

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Minister for Justice a question concerning allegations made on the *Four Corners* television program.

Leave granted.

The Hon. P. HOLLOWAY: On the *Four Corners* program about One Nation, which was screened several weeks ago, allegations were made that the South Australian Senate candidate for One Nation, Mr Len Spencer, had carried a concealed hand gun when meeting with members of that Party. Has the South Australian Police received any complaints in relation to these allegations? Secondly, are the allegations that were made in the *Four Corners* program in relation to Mr Spencer being investigated?

The Hon. K.T. GRIFFIN: I will refer those questions to my colleague the Minister for Police, Correctional Services and Emergency Services and bring back a reply. Obviously, though, some privacy issues are involved as are some issues about current investigations. If investigations are being conducted, it would be unusual to report those to the Council if that information was provided by the police. We will be able to provide some information, I hope, but it may be limited.

STATUTES AMENDMENT (MOTOR ACCIDENTS) BILL

Consideration in Committee of the House of Assembly's amendments:

No. 1. New clause, page 2, after line 7—Insert new clause as follows:

Insertion of s. 113A

5A. The following section is inserted after section 113 of the principal Act:

Insurer not liable for aggravated damages or exemplary or punitive damages

113A. An insurer is not liable to pay any aggravated damages or exemplary or punitive damages awarded in an action against the insured person in respect of death or bodily injury caused by or arising out of the use of a motor vehicle insured under this Part and the insured person is not entitled to be indemnified by the insurer in respect of such an award.

No. 2. New clause, page 2, after line 7—Insert new clause as follows:

Insertion of s. 118B

5B. The following section is inserted after section 118A of the principal Act:

Interpretation of certain provisions where claim made or action brought against nominal defendant

118B. (1) The provisions of this Act prescribed by subsection (2) will be taken to apply where a claim is made or an action is brought against the nominal defendant under this Part as if, for the purposes of those provisions—

(a) the motor vehicle in relation to which the claim is made or the action is brought were a motor vehicle insured under a policy of insurance; and

(b) the nominal defendant were the insurer and any liability of the nominal defendant were a liability of the insurer under the policy of insurance.

(2) For the purposes of subsection (1), the following provisions of the Act are prescribed:

(a) sections 110, 111 and 111A;

(b) section 124(6a);

(c) section 124AD;

(d) section 125B;

(e) sections 127 and 127A;

(f) a provision specified by the regulations for the purposes of subsection (1).

No. 3. Clause 6, page 2, line 17—After 'vehicle' insert: or part of the vehicle,

No. 4. Clause 6, page 2, lines 19 to 23—Leave out subsection (6a) and substitute:

(6a) Where a claim is made upon an insured person in respect of an accident of a kind referred to in subsection (1), a person must not give the insurer, or someone known by the person to be engaged by the insurer in connection with the claim, any information that the person knows is material to the claim and is false or misleading.

Maximum penalty:$1 250 or imprisonment for 3 months.

No. 5. Clause 8, page 3, lines 14 to 18—Leave out section 124AC and substitute:

Amount recoverable by insurer set off against compensation

124AC. The insurer may set off the whole or part of an amount that the insurer is entitled to recover from a person under this Part against a liability in respect of the person's death or bodily injury caused by or arising out of the use of a motor vehicle where the liability is owed by the insurer or an insured person.

No. 6. New clause, page 3, after line 23—Insert new clause as follows:

Insertion of s. 125B

8A. The following section is inserted after section 125A of the principal Act:

Acquisition of vehicle by insurer

125B. (1) If—

(a) the insurer considers it necessary to acquire the motor vehicle for the purposes of the conduct of negotiations or proceedings connected with the death of, or bodily injury to, any person caused by or arising out of the use of the vehicle; and

(b) the owner of the vehicle is unwilling to sell the vehicle to the insurer at all or for a price the insurer considers reasonable,

the insurer may acquire the vehicle compulsorily in accordance with this section.

(2) The insurer may, for the purposes of compulsorily acquiring the motor vehicle, apply to the Magistrates Court for a valuation of the vehicle.

(3) If within one month after the date of a valuation by the Court, the insurer pays into the Court the amount of the valuation, the Court—

(a) must make an order vesting title to the motor vehicle in the insurer; and

(b) may make any other incidental or ancillary orders that may be necessary or desirable in the circumstances of the case.

No. 7. Clause 9, page 3, after line 29—Insert new definition as follows:

'prescribed limit', in relation to prescribed services, means the limit prescribed for the prescribed services for the purposes of section 32 of the Workers Rehabilitation and Compensation Act 1986;

No. 8. Clause 9, page 3, line 31—Leave out 'for the prescribed services by regulation under subsection (2)' and substitute: for the prescribed services for the purposes of section 32 of the Workers Rehabilitation and Compensation Act 1986

No. 9. Clause 9, page 3, line 34—Leave out 'a regulation' and substitute: notice

No. 10. Clause 9, page 3, line 36—Leave out 'Governor may, by regulation' and substitute: Minister may, by notice in the Gazette

No. 11. Clause 9, page 3, lines 37 and 38—Leave out paragraph (a).

No. 12. Clause 9, page 4, after line 1—Insert new paragraph as follows:

(c) vary or revoke a notice under this subsection.

No. 13. Clause 9, page 4, after line 16—Insert new subsections as follows:

(4a) For the purposes of this section, a charge for prescribed services is excessive if—

(a) the charge exceeds the prescribed limit or the charge allowed for the prescribed services under the prescribed scale; or

(b) in the case of prescribed services for which there is not a prescribed limit and to which a prescribed scale does not apply—the charge exceeds an amount that the Magistrates Court considers reasonable for the provision of the services.

(4b) The Magistrates Court may, on application by the insurer—

(a) where an injured person has been charged an excessive amount for prescribed services—reduce the charge by the amount of the excess and, if the charge has been paid to the service provider, order the service provider to pay the amount of the excess to the insurer; or

(b) where an injured person has received prescribed services that the Court considers were, in the circumstances of the case, inappropriate or unnecessary—disallow the charge for the services and, if the charge has been paid to the service provider, order the service provider to pay the amount of the charge to the insurer.

No. 14. Clause 9, page 4, lines 22 to 29—Leave out subsections (6), (7) and (8).

No. 15. Clause 9, page 4, lines 30 to 38 and page 5, lines 1 to 4—Leave out new section 127B.

No. 16. Clause 10, page 5, after line 8—Insert new paragraphs as follows:

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

(i) the injured person's ability to lead a normal life was seriously and significantly impaired by the injury for a period of at least six months;;

(aaa) by striking out subparagraph (ii) of paragraph (c) of subsection (1) and substituting the following subparagraph:

(ii) a person who—

(A) is a parent, child or spouse, or was at the time of the accident a spouse, of a person who was killed, injured or endangered in the accident; and

(B) was at the scene of the accident when the accident occurred or shortly after the accident occurred;;

(aa) by inserting after paragraph (c) of subsection (1) the following paragraph:

(ca) in assessing possibilities for the purposes of assessing damages to be awarded for loss of earning capacity, a possibility is not to be taken into account in the injured person's favour unless the injured person satisfies the court that there is at least a 25 per cent likelihood of its occurrence; and;

No. 17. Clause 10, page 5, after line 11—Insert new paragraph as follows:

(ab) by inserting after paragraph (h) of subsection (1) the following paragraph:

(ha) damages awarded for loss of consortium must not exceed four times State average weekly earnings; and;;

No. 18. Clause 10, page 5, line 28—After 'the prescribed percentage' insert: or such greater percentage as the court thinks just and reasonable having regard to the extent to which the accident was attributable to the injured person's negligence

No. 19. Clause 10, page 5, line 32—After '25 per cent' insert: or such greater percentage as the court thinks just and reasonable having regard to the extent to which the proper wearing of a seat belt would have reduced or lessened the severity of the injury

No. 20. Clause 10, page 6, line 5—After '25 per cent' insert: or such greater percentage as the court thinks just and reasonable having regard to the extent to which the proper wearing of a safety helmet would have reduced or lessened the severity of the injury

No. 21. Clause 10, page 6, line 32—After '25 per cent' insert: or such greater percentage as the court thinks just and reasonable having regard to the extent to which being within the compartment would have reduced or lessened the severity of the injury

The Hon. R.I. LUCAS: We are moving inexorably through a process of establishing a conference with the agreement of the Hons Mr Holloway, Mr Elliott and Mr Xenophon. This is the next stage of that. There are five pages of amendments and I do not intend to further argue the case on each of them, so I will move them *en bloc*. I see that the forces of evil and darkness are aligned against me, with the occasional glimmer of light thrown in. It would not be productive to delay the proceedings in Committee. I move:

That the amendments be disagreed to.

Motion carried.

The following reason for disagreement was adopted:

Because the Legislative Council does not agree with the amendments.

CITY OF ADELAIDE BILL

Adjourned debate on second reading.

(Continued from 19 August. Page 1489.)

The Hon. L.H. DAVIS: In 1837, Colonel William Light commenced his survey of Adelaide at the corner of West Terrace and North Terrace and laid out a city, which, to most planners around the world, is a model city, in terms of its grid, the concept of its parklands and its squares. Adelaide owes a debt to Colonel William Light, who, after all, not only laid out Adelaide but also North Adelaide—and in digressing I should mention that he laid out Gawler and discovered the Barossa Valley.

The City of Adelaide has been the subject of increasing debate and controversy in recent years. Members will know that I have been vocal over a long period in my concern about the gradual unravelling of the fabric of Adelaide; that the city, compared with its sister capitals around Australia, has become tired and run down. It is reflected in the fact that the vacancy rate in the Adelaide office sector is the highest of any capital city in Australia—still at around 20 per cent. In fact, it is still at the level it was in the very severely recessed economy of the early 1990s. That figure remains high, notwithstanding the fact that, unlike other capitals in Australia, very little additional office space has been built in Adelaide over the past seven or eight years.

It is also reflected in Rundle Mall where John Martins has closed down. As the Adelaide 21 final update published in June 1998 reveals, the closure of John Martins in Rundle Mall will result in a loss of turnover in 2001 of $150 million unless urgent strategies are put in place to restrict the decline in the mall's share of retail sales.

It is also reflected in the fact that many of the jewels of Adelaide, such as North Terrace, have been allowed to languish for far too long. As I have said on more than one occasion, there have been meetings of committees over the past two decades looking to refurbish arguably the jewel in Adelaide's crown, namely, North Terrace. It has led me to suggest that Adelaide can rightly claim the crown of 'committee city', because, whilst we are very good at holding committees and making decisions, we are very slow at implementing those decisions.

It is also reflected in the adhockery which has marked the governance of the city in recent years. In the past two or three years under the previous Lord Mayor, the city actually committed what I understand is a figure of around $600 000 of council funds to support the development of an outdoor restaurant on the north-west corner of Victoria Square. That ignores a holistic approach which is necessary to Victoria Square in terms of its future design and future traffic needs because that restaurant has resulted in the closure of the slip road on the western boundary of Victoria Square.

It is also reflected in the adhockery of the council in recent years in its approach to signage, something which may be seen as basic and trifling but which so often mirrors the energy, vitality and professionalism in a city. We have seen a stream of inconsistent and inappropriate signage around the city, reflected most recently in the appearance of some big blue signs marking major streets such as King William Street. There is no rhyme or reason for this, no consistency in the signage.

Also the singularly, unimpressive street art and craft along King William Street south looks as if someone went to a garage sale of a tin can factory. These are not impressive images to a sophisticated visitor to this otherwise very gracious city.

It is reflected also in the politics of Adelaide, that, sadly, one of the most important Bills—arguably perhaps the most important Bill that the Liberal Government in the 1993-97 Parliament introduced—was knocked out by the pure political savagery of the Opposition; namely, the proposal to close down the Adelaide City Council for a period and install commissioners to manage the city and to implement the strategies which had been proposed by Adelaide 21. And the bitchiness, parochialism and small-mindedness that was associated with the decision of the Opposition Parties to oppose that measure two years ago, for me, was one of the low lights of my political career because it postponed a decision which we are now revisiting with this Bill—a different model but the same proposal. It again reflects this obsession with parochialism and small-mindedness and—

The Hon. T.G. Roberts: It is called 'democracy' these days.

The Hon. L.H. DAVIS: It is not called 'democracy'; it is called 'small-mindedness'. As I have mentioned on previous occasions, in Perth, Sydney and Melbourne—all capital cities travelling much more easily and much more sweetly than this city—they had implemented exactly what the Adelaide 21 team had proposed, namely, to close the council down, restructure the council and modernise the administration so that there was a council structure to take forward into the twenty-first century which properly reflected the needs of the time. But, no, that was turned down, notwithstanding the fact that Sydney, Melbourne and Perth had all travelled that route very successfully, in all cases reducing their council by half to make it a quasi board of directors managing a discrete business unit—namely, the capital city, in conjunction with the State Government—to modernise the structure of the council and to implement strategies designed to rejuvenate the city.

Now we are trailing those other States by a matter of years as we move forward finally to implement in a slightly different form the recommendations of Adelaide 21 from two years ago. I want to say something about Adelaide 21. The Adelaide 21 team, led by Professor Michael Lennon, deserves the highest commendation for recognising the challenges which existed in Adelaide and putting in place strategies to rejuvenate the city, to take advantage of the strengths of Adelaide, to recognise the weaknesses (and to cover those) and also to form an important partnership with the State Government. It is vital to recognise that, as a highly urbanised country, the capital city of all States—with the possible exception of Queensland where 60 per cent of the population lives beyond the capital city—is the flagship, the selling point and the gate to a State.

It is reflected in the population, in the demography of this country, that around 11 million people live in the five main capital cities of Australia—Sydney with nearly 4 million; Melbourne with over 3¼ million; Brisbane with 1½ million; Perth with around 1.3 million; and Adelaide with just a million people. A total of 11 million of our 18 million people live in five capital cities. That represents 60 per cent of this vast continent's population. In Adelaide, that concentration is even more intense because, with a population of not yet 1½ million, Adelaide's population represents two thirds of the State's population.

The City of Adelaide Bill, which is before us now, mercifully has the support of members of the Opposition. They have been dragged screaming to the reality that something needs to be done. Nothing was different two years ago. The facts that we have before us today were before us two years ago. But it is pleasing to see that they have recognised the challenge and the urgency of this situation.

It is also noteworthy to see that, under the cerebral and inspired leadership of Lord Mayor Jane Lomax-Smith, the Adelaide City Council has taken a broader view of this important matter. When the proposal to install a commission came before the Parliament two years ago, there was an adverse reaction. The City Council was very defensive of its position. Now, I think there is a tinge of reality associated with its reaction to the Bill presently before us, because we have followed the model that has been accepted in other States whereby we have reduced the number of councillors. As provided in clause 20, the Adelaide City Council is proposed to comprise only the Lord Mayor and eight other members. In other words, it has almost halved in size, which was one of the propositions put forward two years ago by Adelaide 21.

Adelaide 21 has ceased to be as from 30 June 1998, and Michael Lennon's leadership role and those of his team are no longer still in place. But the strategies and proposals of Adelaide 21 will be implemented through the program which is indicated in the second reading explanation, namely, the Capital City Development Program. Instead of having a commission, as was proposed in the original legislation which was rejected, sadly, by Parliament, this Bill proposes a Capital City Committee.

As provided in clause 7, the Capital City Committee will consist of the Premier or his nominee (a Minister of the Government), two other Ministers nominated by the Premier, the Lord Mayor or a nominee of the council, and two other members of the council. It is clearly designed to be a partnership between State Government and the Adelaide City Council.

The function of the Capital City Committee, as set out in clause 10, is five-fold: first, to identify and promote key strategic requirements for the economic, social, physical and environmental development and growth of the City of Adelaide as the primary focus for the cultural, educational, tourism, retail and commercial activities of South Australia. That is pure Adelaide 21. There is nothing new with that. I

do not think anyone would argue about the force and merit of that function.

Secondly, the Capital City Committee is formed to promote and assist in the maximisation of opportunities for the effective coordination of public and private resources to meet the key strategic requirements identified by the committee and recommend priorities for joint action by the State Government and the Adelaide City Council within established budget processes and programs. Again, one cannot object to that.

Thirdly, it is to monitor the implementation of programs designed to promote the development of the City of Adelaide. Fourthly, it will make provision for the publication of key strategies and goals and commitments relevant to the development growth of Adelaide that have been agreed on. There is a consultative process built into the Capital City Development Program which draws on the knowledge, interests and suggestions of the community.

Finally, the Capital City Committee function is to collect, analyse and disseminate information about the economic, social, physical and environmental development of the City of Adelaide, with particular emphasis on assessing outcomes and identifying factors that will encourage or facilitate future developments within the City of Adelaide. Under clause 10, the committee is obliged to convene a forum, called the Capital City Forum, from members of the City of Adelaide community to seek advice from or share information with the members of that forum.

Pursuant to clause 11, the committee also must prepare a Capital City Development Program for consideration by both the South Australian Government and the Adelaide City Council. One would suspect that the Capital City Development Program would draw together elements of the Adelaide 21 plan. It would include a statement of the directions for the city, in a broad form, for the benefit of the State Government and the Adelaide City Council, and also as a signpost for people in the private sector making decisions.

It would also recognise the important element of the capital city strategy which is a specific set of actions which the State Government and the council would implement. Finally, there is the need for the implementation of the program itself, how the State and the council will work together in the future.

The areas of importance in this initiative centre quite clearly on several strands. First, the economic health of the city. How strong is that fabric of Adelaide at the moment in economic terms? The steady growth of population into the city is encouraging. Quite clearly, as population grows within the city, it does have a multiplier effect in terms of the retail and other services that are needed to provide support for that growing population.

Importantly, we should not forget that, as we design programs to bring people back into the city and encourage people to return and live in the city, there are significant economic benefits in the sense that we are not wasting money on additional infrastructure stretching the already very elongated geographical area of Adelaide. There are major infrastructure benefits.

In addition, there is the challenge that, in this Information Technology society in which we live, more and more people can work from home. They can service their clients within South Australia, interstate or indeed, overseas, from a computer at home. That means there is a certain pressure on existing offices and industries in Adelaide. We are not likely in the early years of the twenty-first century to see the continued growth of the work force based in the capital city. That is of special importance to Adelaide. There is much more 'hot seating' going on, where people might share an office, where someone may work part time from home and part time within an office. There is much more pressure on industries perhaps to set up in regional areas, with councils offering attractive incentives. If we are to maintain the fabric of Adelaide and maintain Adelaide as an important flagship, as the gateway into South Australia, we have to retain the commercial vitality of the city centre. That is a special challenge to Government and to council.

One area which has always impressed me about the American economy is that if you wish to go into a major American city for only a short period of time and would like an overview of the city, its relevant Chamber of Commerce is always happy to provide that overview. It will sit you down in a room, provide a video, bring in people with the special skills, expertise and knowledge in which you may be interested and act as ambassadors for that city to promote it as a good place in which to set up business and to develop relationships.

I think that is a special challenge for the Employers Chamber. Quite frankly, I think that Australian chambers could be much more active in this area. I recognise the good work that the South Australian chamber does, particularly in the export area. I might be doing it a disservice, but I believe that more could be done in partnership with the State Government, the Adelaide City Council and the Employers Chamber to promote South Australia and, in particular, Adelaide.

I have always looked at the unique building which was the Old Adelaide Stock Exchange in Exchange Place, next to the building which is not so endearingly called the 'black stump' in Grenfell Street, and thought that it would be a superb site in the heart of Adelaide for the promotion of South Australia. The Employers Chamber, the council and the Government perhaps could share this venue if it was available and use it to promote South Australia to visiting business leaders.

How do we go about promoting Adelaide? How do we make Adelaide a more attractive and vital place for investment? How do we encourage small business into Adelaide and encourage business which is already here? My attention was drawn recently to an article in *Hermes*, Spring 1998 edition. *Hermes* is a quarterly publication of the Columbia Business School, which is one of the foremost business schools in America. This article called the 'New York City Investment Fund' discusses a proposal which was implemented in New York in September 1996. To suggest that we can copy from New York may be stretching a long bow. There is a difference in population—14 million to Adelaide's one million—and we have a different culture and attitude towards life.

Nevertheless, I want to spend a short time reflecting on this fund, thinking aloud and surmising as to whether such a fund, or variation of it, may have some relevance in Adelaide. New York is regarded as the financial, cultural and intellectual capital of the United States, although, interestingly, its unemployment rate of 9.4 per cent in 1997 was double the national average in the United States.

A financial man by the name of Henry Kravis (aged 69) launched the New York City Investments Fund, which was described in *Hermes* as part philanthropic, part canny investment vehicle. It was designed as the answer (as *Hermes* described it) to an entrepreneur's prayer. Kravis had often

thought about cities around America where there is this private sector leadership, this enthusiasm, this self-belief, this throwing away of the committee city model which bedevils South Australia. Kravis had looked at Minneapolis which had been very big in the private sector, revitalising the city. There are cities like Glasgow, which grasped the beauty and richness of its run-down heritage. In a few short years it went from being a neglected, often laughed at, city in Scotland to being judged the cultural capital of Europe.

In this case, Kravis believed it was possible to encourage and support entrepreneurs in New York by forming a $US100 million fund, which in today's language, with the depreciated Australian dollar at just a touch under 60¢, converts to close enough to $A170 million. He proposed to raise $US1 million each from 100 individuals, corporations and foundations. As *Hermes* described it:

> The mission of the fund to full profit operation, albeit one that returns investors their principle in 15 years without interest, is to invest in projects that create jobs and promote economic growth in the five boroughs, especially in disadvantaged neighbourhoods.

At the stage when this article was written, four or five months ago, they did not quite have the $100 million but were up to about $62 million which, in Australian dollars, is still $100 million. I think my colleague, the Hon. Terry Roberts, would describe that as a useful figure.

What was particularly attractive to me about the notion of this fund was that it was not simply the volume of money that was available but the intellectual capital which was associated with it. Kravis set out not only to gain money from people but also he wanted the investment of their ideas and their involvement. What has been so successful about this fund in the embryonic 18 months between it being established in September 1996 and this article being written is that it has brought together the business community's best and brightest to apply, as *Hermes* says:

> their business knowledge and education to up and coming entrepreneurs thereby giving back to the city that supported and nurtured them.

As *Hermes* notes:

> Executives actively involved in the fund are a Who's Who of movers and shakers.

The fund has not only brought together some of the leaders of the community for the first time—often people who are competitors, who work together to develop this fund—but they are identifying profitable investment opportunities, which will add to the economic life and the economic prosperity of New York.

In addition, they not only tapped into experienced and established business leaders in New York but they invited Colombia Business School students to cut their teeth through this program; they were invited to evaluate the various proposals and to add their support to it. The fund has six sector groups giving opportunities in the six groups for people to receive benefits from this fund: retail; manufacturing; health care and sciences; education and information services; media and entertainment; and, finance, insurance and real estate. In each of those six sectors there are expert volunteer staff and 100 to 125 volunteers who work alongside six professional staff evaluating the proposals for financial support.

The fund does not involve Government. It is not one of those half baked proposals such as John Bannon floated in 1982 which sunk without trace—the Enterprise Fund or the Ramsay Trust. It was not socialism running late: this is private sector—something which old soft Lefties such as the Hon. Terry Roberts would recognise. The goal of the fund was to return investors their principal in 15 years without interest, as well as, importantly, investing in projects creating jobs. As one of the observers of this fund (and I quote from *Hermes*) noted:

> The biggest issue for the fund as it expands and makes more and more investments is 'How do we keep track of all the different investments and how do we try and provide advice and value to a number of relatively small, relatively unsophisticated businesses?'

This was written in the spring of 1998, which means that it was probably been written in March or April 1988—only 18 months into the formation of this fund—and they had received 275 projects for evaluation; 11 had received major financial support; and 30 were under active consideration. What was already obvious in this very short space of 18 months was that the power of the network of business leaders—high level intellectual capital, as it was described—was making this fund very special to the smaller entrepreneurs. Some who had received the benefit of money from the fund had also the benefit of the ideas of the team backing the New York City Investment Fund. Obviously in many cases that would have led to the modification of their strategies and perhaps the rewriting of their business plans to help ensure the success of their business. As one person noted in *Hermes*:

> What I really like about the fund is that it is not just 'Here's some money; hope you'll do well; see you around.' What is extraordinary is pooling together all these people who then say, 'How can we be helpful as a group to make this work out; who do you need to know; and how can we get it to them?'

The first project, interestingly, was a $2 million investment in Royal Health Care, a managed care organisation. This is expected to create between 500 and 850 jobs over the next four to five years and sustain two non-profit hospitals in Brooklyn and Queens.

There we have it: it is an entrepreneurial fund with hopefully a perpetual life. It is a new model and is obviously bringing together top business talent and linking it with emerging small business, people with ideas but not money and perhaps not necessarily know-how. That is in a city of 14 million with enormous wealth and enthusiasm—a different culture altogether.

However, it is this sort of thinking that is important in Adelaide. One of the problems we have had in Adelaide is that we have thought too small. When one looks at the battles for development in Adelaide, one sees that it is extraordinary. To have front page stories about a few regrowth gums at Mount Lofty blocking the view of a new exciting tourism development, which 13 years later replaced the original complex that was burnt down in 1983, is symptomatic of the small mindedness of this city. Colonel Light would have been ashamed. That was not his vision for the city.

One of the special challenges that we have in revitalising the city is looking at North Terrace in which, as honourable members would know, I have had a keen interest for some time. I am pleased to note that a total of $4.5 million will be spent over the next two years on upgrading North Terrace between Kintore Avenue and Frome Road—this jewel in Adelaide's Crown, which has been neglected for two decades. With numerous committees, tens of thousands of dollars being spent, North Terrace still has its rusting poles, its inappropriate signage, its tired streetscaping and generally limp appearance. This is unforgivable.

As I have commented previously, the whole of Australia has passed us by with new projects such as South Bank in Melbourne, Darling Harbor in Sydney and the cultural

development by the Brisbane River, yet we cannot even fix North Terrace. It does make one wonder and worry.

So, the challenge for North Terrace is to improve paving and street crossing and, most importantly, to open up the linkage between the cultural precinct of North Terrace and the commercial precinct of Rundle Mall. North Terrace is arguably Australia's most unique cultural boulevard. That precinct will be enhanced and enlarged by what is called the Botanic wine and rose development. I am not sure whether that will remain the name of it—I hope perhaps that it will not.

When one looks at successful tourism precincts, a common quality of such precincts is the weight of attractions. Darling Harbor has been open for barely a decade, but already a visitor to Sydney can easily spend a day at Darling Harbor going to the Sydney Aquarium, the IMAX Theatre, the Powerhouse Museum, the Aviation Museum, a range of shops and a convention centre, which often has special attractions.

In Adelaide, along North Terrace, we have the State Library and the recent splendid addition of the Bradman Museum; the South Australian Museum, with its unique Aboriginal craft; the Art Gallery, with arguably the strongest and most balanced collection of Australian art, enhanced enormously by the recent extension; the University of Adelaide; Ayers House, which is quite unique in its own way; an emerging new precinct that will centre around the Botanic Gardens, including the magnificent tropical Bicentennial Conservatory, which will be recognised as being one of the great buildings of this century anywhere in Australia, the National Wine Centre and the International Rose Garden; and, adjacent to that, the Adelaide Zoo.

Allied to those cultural precincts is the very exciting development in Rundle Street East. As someone who opened a kite shop in Rundle Street East in 1976—Australia's first kite shop, I should mention—I used to worry about the number of people who would walk past the kite shop on their way to Rundle Mall. Rundle Street East was just a through way to Rundle Mall.

The Hon. Diana Laidlaw: You were well before your time.

The Hon. L.H. DAVIS: We were well before our time. My colleague, Dr Dick Wilson, and I always said that we were ahead of our time, and that has come to pass. Whilst the shop did provide attractive tax losses it was not a strong retailing precinct. But today, Rundle Street East, with its bevy of restaurants, shops and other retailing outlets allied to the increasing population at Garden East, and another development just behind the Botanic Gardens Hotel which will be shortly opened, is an example of Adelaide at its best.

The spirit of Adelaide is best exemplified in the development centred around the Botanic Gardens with the rose garden and the Wine Centre—the wine and roses theme being very obvious—and also that recent development in Rundle Street East.

I place on the record my support for this Bill, recognising that it is vital in re-establishing focus on Adelaide; restructuring the council, as it does, into a more discrete unit; formalising an important relationship between the Adelaide City Council and the State Government; putting in place strategies to strengthen Adelaide as the capital city of South Australia; and to implement the very good suggestions that have been made already in the Adelaide 21 Plan, as well as those that will continue to be fed in through the very good model that is provided in the City of Adelaide Bill. I support the second reading.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I recognise that I have not been scheduled to speak but I want to say a few words about the importance of this Bill. I work very closely with the Adelaide City Council, and particularly the Lord Mayor, on a very regular basis as a result of all the portfolios for which I am responsible: transport, urban planning, arts and the status of women.

I want briefly to endorse the remarks made by the Hon. Legh Davis in terms of North Terrace and the fact that it has taken a long time for the council, which is essentially responsible for all the road network, including North Terrace, to advance change in this area.

In the meantime, the State Government has been a very big spender in seeking to upgrade North Terrace and the cultural aspects of that terrace in terms of the State's heritage with the extensions to the Art Gallery and the State Library upgrade, to which $38 million has been committed. Also, the Bradman cricketing exhibition has been opened, displaying Sir Donald's cricketing and personal memorabilia, as well as a whole exhibition at the South Australian Museum of that great Antarctic explorer and geologist Sir Douglas Mawson's research and treasures from Antarctica which will be opened within the next year. Work will also start on the Aboriginal Cultures Gallery at the end of this year. A long time has been taken to ensure that the Aboriginal art and artefacts are finally put on display and no longer kept in storage.

In terms of the arts, the Adelaide Symphony Orchestra, the University of Adelaide, the Education Ministry and Arts SA have been looking at the feasibility of establishing an Institute of Fine Music based around North Terrace and focusing also on the Adelaide Festival Centre. In relation to the Festival Centre, an upgrade is taking place in the twenty-fifth year since its opening. That upgrade has attracted $6 million of State funds this year in addition to $3 million last financial year. Overall, taking into account an allocation of $55 million to the Convention Centre, an extraordinary Riverbank Precinct project will be undertaken at that site.

I also work with the Lord Mayor and council in terms of public transport. I am very keen to see how we can relocate the interstate passenger rail services from Keswick back to the Adelaide Railway Station, and that project will be considered as part of the Riverbank Precinct project. We do have an uncoordinated system of public transport in the city centre, with the O-Bahn proceeding down Grenfell and Currie Streets, and it does not join in any way with the tram which completes its journey from Glenelg in Victoria Square.

The intrastate bus service is located in Franklin Street. As I mentioned, the interstate passenger rail service is located at Keswick, and a lot of work must be done to improve the relationship of all those public transport modes in the future.

Work has been undertaken between my portfolios, and Arts SA in particular and the Adelaide City Council, to see Hindley Street turned into an arts precinct—being the base for the location of many arts organisations. In a recent survey, 22 arts organisations indicated a wish to explore relocation to Hindley Street. The Adelaide Festival and the Australian Festival for Young People have already indicated their commitment, and I will be signing a lease for that purpose very shortly. I hope that those two organisations will be the first of many to move into and upgrade Hindley Street for the benefit of the State as a whole, as well as of the arts.

The Office for the Status of Women is currently working with the Adelaide City Council to undertake a survey on how women feel about and use our city. Many fine examples have emerged from that feedback in terms of public transport, rest areas and where one can even leave one's shopping to go about one's business in terms of collection points for goods that are purchased so that one is not carrying them in case one is meeting people for lunch, as well as a range of other examples. As to the way in which women, the universities and education work together to make sure that people want to come into the city, stay in the city, spend some money and have a pleasant, safe experience, we should have the results of that work by the end of this year.

I reflect briefly on all those issues because what is so important to the City of Adelaide is the cosmopolitan way in which we live in, work in and enjoy our city. Much of that is tempered by the fact that we have a large number of people who live in the city area and many more who would like to live in the city in the future, and that makes our city different from other capital cities around the world. It distinguishes the Adelaide City Council area from other regional centres in the wider Adelaide metropolitan area and it is very important for the future of the Adelaide City Council area as a whole that it distinguishes itself in living and working terms as a reason for people to visit from within the State, from the wider metropolitan area, from interstate and from overseas. The cosmopolitan nature of our city is very important. It is a treasure and we must do more work to focus on that matter.

As a resident in the Adelaide City Council area, I know that one of the attractions for me is not only the close proximity to work, the arts, the parklands and great restaurants but it is also the huge diversity of people from various backgrounds, first and second generation Australians who live within the city, the great age range, the great income variation and the great range of interests. It is hardly a static environment. It is close density living, people get to know each other well, there is a hive of activity, a buzz—it is an exciting place to live. It is exciting because of the diversity of people who live in the city and I have always supported the rate rebate in social terms for that very reason.

I am very pleased to see the provisions in this Bill that would seek the retention of the rate rebate because I am very conscious that for the older people who are long-term residents of the Adelaide City Council area—many widows and a lot of older men—if there is not a rate rebate in the future, they will be forced out of the place where they have made their friends and lived for many years. That would be totally against the whole of the effort that this Government and the Parliament is seeking to make in urban regeneration initiatives. When we have such an ageing population in the city, in the wider metropolitan area and in the State, it is wrong to see that the heart of our State, the Adelaide City Council area, forcing older people on lower incomes out of the place where they have always lived and contributed because of envy and the uncaring attitudes that have been expressed in the other place about the rate rebate issue.

I can afford to pay full council rates and I have never argued in this place or elsewhere for the continuation of the rate rebate although I have been a beneficiary of that practice by the Adelaide City Council. When this issue was brought to my attention in terms of the working party's report and this Bill, I did not mind the rate rebate being removed for people over a certain income or a certain property valuation, but I do believe that it is very important that, because heritage property is such an important aspect of the character of our city, of which we are all beneficiaries, and because it is important in marketing and tourism terms, we keep the rate rebate for people on lower incomes or various age brackets.

If one looks generally at social policy in this country at large, one of the factors that has always been poor is the fact that, although pensioners generally have been the focus of attention, superannuants and individuals on fixed incomes who have saved and prepared for themselves in retirement often find that, notwithstanding all that activity and their age, they are not well catered for. Some of the debate and the amendments in another place, and the amendments that have been put on file here, show a very uncaring and inconsiderate approach to public policy, which does not promote urban consolidation or a population mix which is so important for the vitality of the city in the longer term.

As to the contribution by the member for Colton in the other place, there was much that I could say but I will limit my remarks because of time and the benefit of being a wise individual after 16 years in this place when one has learnt not always to say what one feels. However, I would like to remind the member for Colton that, in the leaflets that he circulated to ratepayers when he stood for the position of Lord Mayor on several occasions, the rate rebate was always at the top of his agenda in seeking the votes of residents within the area. Many people today would feel some difficulty in equating his remarks in this place and publicly with the support that they always gave to him as Lord Mayor and the policy agenda that he ran with when he stood for Lord Mayor.

It may be convenient for him to say that he has changed his mind now, and people do change their mind, but it is very disappointing to reflect on the strong support that he has always received in the North Adelaide area and from residents at large throughout the city and the way many people today think he has turned on them now that he has entered a different forum of public life.

The Hon. T.G. Roberts: Perhaps he should have had another term as Lord Mayor.

The Hon. DIANA LAIDLAW: I wonder whether he has ever left the job. We must make progress on this Bill and, if appropriate, I will certainly make comments as Minister for Transport and Urban Planning as to the road closure issues that have been advanced as amendments to this Bill.

The Hon. R.I. LUCAS (Treasurer): I thank members for their thoughtful contributions from a number of different perspectives to the second reading of the Bill. At the outset I congratulate my friend and now ministerial colleague the Hon. Mark Brindal for the way in which he has conducted himself in the discussions thus far in terms of this complicated piece of legislation.

The Hon. Ian Gilfillan: Did he write the speech?

The Hon. R.I. LUCAS: His officers did, but not that bit. As former Chairman of my Education Advisory Committee and my Parliamentary Secretary for a while until the interests of his constituency saw a parting of the ways for a brief period in relation to The Orphanage issue, I have been an admirer of his capacities when properly channelled in an appropriate direction, and I think that he has demonstrated that this is a portfolio in which he has great interest and for which he has a great capacity, and I welcome the contribution that he is making to the debate.

Through him, I also briefly congratulate his officers who have been involved in the debate. They still have a bit of work to do, but I congratulate them for the professionalism

of the materials that they have prepared for me as a novice Minister in the area of local government and the City of Adelaide, in terms of briefing materials and notes for the closing of the second reading speech. It has been thoroughly professional and through the Minister I congratulate them and ask the Minister to personally thank them on my behalf for what they have done and for what they are about to do.

Before reading the notes that have been prepared for me by the Minister's staff to respond to some of the issues that have been raised by members, I want to briefly wander off on my own for a moment and respond to the comments that my colleague the Hon. Legh Davis made. The Hon. Mr Davis has had a great passion for matters cultural but also for the city and for a number of ideas in relation to the beautification and improvement not only of the North Terrace area but other parts of the central business district area as well. He again this afternoon has very eloquently put his views and positions as to what we need to do as a State. Let me say, I must concede that I have been a latter day convert to the views that my colleague the Hon. Mr Davis has been putting for a number of years now.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: Well, sometimes discretion is the better part of valour when you are in Government and, as the Hon. Ms Laidlaw indicated, there are always times when, I am sure, members of Government do not speak out publicly when perhaps they might otherwise want to do—and without wishing to attribute any view to the Hon. Mr Davis on that issue. As Minister for Education, I did not have a great involvement with the central business district, but, now as Treasurer, I have had the opportunity, obviously working with a number of other Ministers and also as the South Australian representative on the States' Centenary Committee and also on the National Federation Council, to think a little bit about the future of our central business district.

Currently, the Government, the city council and the community are involved and will be involved in a number of exciting initiatives. Through the federation, currently we are negotiating for funding on a very exciting project, which, we and the Adelaide City Council believe, will see some very exciting developments in terms of improving the attractiveness of the city of Adelaide. I am also now chairing a Cabinet committee on the Riverbank precinct which is looking at all the development in the Riverbank precinct area, which includes the $55 million the Government has committed to the extension of the Convention Centre and discussions that the Minister for the Arts will have about the not inconsiderable sums she has to invest in the upgrade of the Festival Centre.

As Treasurer, I am also involved with Funds SA, which, currently, is going through a process of the sale of the Riverside building, the Hyatt Hotel and the Casino. This committee will be looking at this whole precinct area. I must say that, in the past few months, I have enjoyed a number of conversations with Professor Michael Lennon on the Adelaide 21 vision and a related number of other issues—for example, how they may well impact on the Riverbank precinct—and the opportunities that we have for making this precinct in which we work at the moment at Parliament House a much more exciting precinct not only for residents of Adelaide but our visitors from interstate and overseas when they come to Adelaide. Certainly, I would hope that as we move into the celebration of the federation in 2001 and as we move into the new millennium that we will see a number of significant infrastructure projects—some funded by the State Government and some funded by the city council—and all of them, I hope, will work collaboratively together in the interests not only of residents, as I said, but visitors to the City of Adelaide.

I must admit also in the discussions that I have had with Mr Lennon, I have been attracted to his notion of the redevelopment of North Terrace from one end to the other—and I will not go through some of the detail that my colleague the Hon. Mr Davis has already discussed—and also his notion of ensuring, I think as he puts it, an appropriate flow through of visitors from the Hindley Street, Rundle Street and the North Terrace area down to the Riverbank precinct. That project perhaps will involve looking at a better and easier way of getting people across North Terrace from the Hindley Street area into the Riverbank precinct. It may well mean a number of initiatives have to be looked at. At this stage, obviously it is far too early to indicate that any decisions have been taken, because they have not been, but certainly people such as Mr Lennon and others are actively canvassing and recommending to Government, as I said, a range of exciting initiatives.

Today is not the day to go through all that in detail. I flag that a lot of work is going on; it is exciting. I think it could be a very exciting federation development for South Australia as its part of the celebration of the centenary of federation (100 years) in the year 2001. There is much to commend incorporation of much of this work into an overall celebration of the centenary of federation in a collaborative way between the State Government and the Adelaide City Council. As we move from that, therefore this notion of being able to work together as envisaged in this legislation—anything which encourages the cooperation and collaborative decision-making between the city council and the State Government—has much to commend it and certainly I am sure that is why the Government has introduced it.

I now refer to my prepared notes for the closing of the second reading and respond to a number of the issues raised by members. There are a range of amendments in relation to compulsory voting. It will not surprise members to know that the Government totally opposes the introduction of compulsory voting for the Adelaide City Council for the following reasons. First, as members will be aware, the Government's policy announced before the 1993 election supports voluntary voting for all elections whether at the Federal, State or local government level. The basis for this position was covered in detail by the Attorney-General in the second reading speech on the Electoral (Abolition of Compulsory Voting) Amendment Bill. There is a longer explanation of the reasons why the State Government is opposing compulsory vote and when we get into the Committee stages I will refer to some of that explanation and reasons why the Government is opposing compulsory voting.

The Democrats have also foreshadowed that they will oppose all the provisions in the Bill relating to the Capital City Committee and future review by the Minister in consultation with the council of the composition and representative structure of the council. In relation to the Capital City Committee, the Government believes that providing a legislative backing for the committee gives it the formality and status required for it to operate effectively. The provisions of the Bill concerning the committee and its relationship to the council and the Government commit both levels of Government to a process which achieve the essential political accommodation and coordination required to achieve optimum results for the rejuvenation of the city.

As noted by GRAG, the problem of the city is not the absence of a vehicle for development, rather it is the lack of a formal mechanism for elected members of the State Government and the council to cooperate on an agreed strategy to create the best climate for business investment. In effect, the provisions in the Bill formalise the good working relationships which have been established in the past year between the Government and the council. At the same time, the establishment of the committee in no way derogates from the independence of either the Government or council. It will remain the case that Cabinet and council retain ultimate responsibility for endorsing the Capital City Development Program and allocating the necessary funds for its implementation. The actual delivery of the program will be the responsibility of relevant officers in the various Government agencies and the council in the usual way.

The submission of the Adelaide City Council states the council's view that—and I quote:

> It would be a retrograde step if the strong working relationship recently developed is not legislatively recognised through the establishment of the Capital City Committee.

The council's submission does raise some concerns about the need for the committee to be incorporated. The Labor Party has indicated that it will seek to remove the committee's corporate status. The Government does not share these concerns and considers that establishing the committee as a corporate body will assist efficient administration on a day-to-day basis.

In relation to the Bill's provisions on ministerial review of the composition and representative structure of the council, this is not a general issue of local government autonomy versus intervention by the State Government. It is a technical solution to the problem that, Parliament having determined the composition and representative structure of the council, it should not be possible for the council to immediately reverse that, using the provisions of the Local Government Act, without reference to the Government or the Parliament.

The provisions of the Bill override Part 2, Division 11, Subdivision 1 of the Local Government Act. These provisions require councils to periodically review all aspects of their composition and the formation, alteration or abolition of their wards and allow them to propose changes to any aspect at any time. These provisions of the Local Government Act would allow the Adelaide City Council to alter its composition and create a ward structure without those proposals being considered by the Minister, the Government or the Parliament. They are implemented by notice placed in the *Gazette* by the council.

Some capacity for review of the new structure is required, but it may be cumbersome to have to go back to Parliament and amend this Act to make changes or refinements which might be necessary to ensure that the objectives of the legislation have been met. Melbourne, for example, made a number of changes to its new structure on the basis of experience.

The solution proposed in clause 21 of the Bill ensures the involvement of the Minister in such reviews. It provides for the Minister to conduct such reviews in consultation with the council and in accordance with regulations which cannot be made except after agreement between the Minister and the council, and provides for the result to be implemented by Governor's proclamation reported to Parliament.

The proposed regulations governing the review would be based on the procedure in the Act which incorporates community consultation, with the additional criteria of taking the objects of this Bill into account and adapting the process to ensure ministerial and council involvement in the preparation of the report. The council's interest in the matter in which these reviews are conducted is safeguarded and it is not intended that the Minister retain a role in these reviews on a permanent basis.

Provision is made in the Bill that each review must also consider the question of whether subsequent reviews should be conducted by the council under the Local Government Act then applying to ensure that the council is placed in the same position as other councils as soon as it is clear that these are aspects of the Government's structure in meeting the objectives of the legislation.

The Labor Party has proposed an alternative review process which would allow the council to conduct reviews of composition and representative structure under the provisions of the Local Government Act, but only after a period of seven years. This is a fairly inflexible arrangement which would require amendments to be made to this Act to make even minor refinements in the interim.

The Government is concerned about the amendment in the Lower House which has the effect of phasing out the residential rate rebate by 2001 rather than 2003, as provided in the Bill as introduced. This time frame may create hardship for some ratepayers.

The Labor Party has filed detailed amendments to the provisions concerning the register of council members' pecuniary interests. The provisions in the Bill were introduced by the Government at the request of the council to provide for public access to the information about council members' interests, which is currently required to be kept. The Government does not support making detailed amendments to these provisions on the run as proposed by the Labor Party given that it will be necessary to amend the Act to alter any detail of the new requirements.

Clause 36(2) as it stands allows regulations to be made which could revise the current requirements about what must be declared to incorporate any matters which it might be desirable to have in place in the 1998 elections. A more comprehensive revision should occur as part of the current review of the Local Government Act rather than being done hurriedly and without consultation with local government. The Adelaide City Council has welcomed the benefits of the Bill, as have other bodies such as the Property Council of Australia, the West End Association, the North Adelaide Society and individual councillors and aldermen.

The State Government has recognised the unique role of the city. It has recognised the need to take a whole of government approach to the city. It is committed to working with the council and has agreed to make formal commitments through the Bill before us. I urge members to support the second reading.

Bill read a second time.

In Committee.

Clause 1 passed.

Clause 2.

The Hon. NICK XENOPHON: I move:

> Page 1, line 18—Leave out 'Section 32' and insert:
> 'Sections 32 and 38(2), (3) and (4)'

The Hon. IAN GILFILLAN: I seek your guidance, Mr Chairman. Both the Hon. Nick Xenophon and I have amendments on file to clause 32(1), but my amendment does not require the above amendment. Is it appropriate for me to enter into debate on the merit of the amendment I have on file

to clause 32 because it is consequential to the amendment just moved?

The CHAIRMAN: You can go into the substance of your later amendments if they will be affected by this amendment.

The Hon. IAN GILFILLAN: The Hon. Nick Xenophon's amendment to clause 32(1) is identical to the amendment I have on file. That would put in place a procedure to ensure that the closing of roads would be subject to consent or approval by the affected councils that are adjacent to the proposing council. So far we are of one mind.

However, the second part of the Hon. Nick Xenophon's amendment deals specifically with Barton Road. We do not support this amendment. We believe that the matter of individual roads which may or may not be in conflict with the procedure that is identified in the first part of the amendment will be properly dealt with in the omnibus local government reform Bill which will be debated later in the legislative program. That will be the substantive local government global reform legislation, the rewriting of the Act.

We will be looking to put a constructive amendment into that legislation that not only deals with one road but any road which appears to have contravened the intention of the amendment. If it is a choice between the Hon. Nick Xenophon's amendment or mine (to clause 32) I seek support for mine. Under those circumstances it would be inappropriate for us to support the amendment and I indicate that the Democrats will oppose it.

The Hon. T.G. ROBERTS: I understand that there will be a conference on the Bill. At this stage we will support the Xenophon amendment on the basis that there was an understanding that that would be the case. If there are any changes to that amendment during the negotiating period of the conference or if it is not accepted by the Government we indicate that there may be some further discussion.

The Hon. R.I. LUCAS: It is with sorrow in my heart that I find myself having to oppose my friend and colleague, the Hon. Mr Xenophon—based on instructions, I might say. I am advised that the Government's position is closer to the position of the Hon. Mr Gilfillan, although when we get to clause 38 whilst I think we are heading in the same direction we might be heading in the same direction for different reasons.

I join with the Australian Democrats (the Hon. Mr Gilfillan) in opposing Mr Xenophon's amendment. As with the MAC Bill, I understand that this Bill will end up in a conference. Therefore, I do not intend to belabour the Committee stage of the debate with a long and passionate explanation as to why the Government—

The Hon. Diana Laidlaw: And I'm going to show restraint, too.

The Hon. R.I. LUCAS: And the Minister for Transport will show restraint, too, so that is even more encouragement for me similarly to be conservative in our discussion. I think that sensibly on this issue and others, if we can resolve where the numbers are, process the matter and get it to conference (as we did with the MAC Bill) that is where it can appropriately be wrestled out. The Government's position is to oppose it.

Amendment negatived; clause passed.

Clause 3.

The Hon. IAN GILFILLAN: I move:

Page 1, lines 19 to 28—Leave out this clause and insert:
Object
3. The object of this Act is to revise and enhance local governance arrangements for the City of Adelaide.

Although this is a consequential amendment to the major thrust of our program to remove the Capital City Committee totally from the legislation, I will use this clause as an indicator as to the success or otherwise of the series of amendments relating to this subject. Briefly, I want to repeat for the Adelaide City Council and local government generally the concerns that we feel most strongly about.

First, I am convinced that it will be the most powerful factor in determining what the Adelaide City Council does or does not do. It is virtually a takeover by a structure that should be an autonomous local government body—the Adelaide City Council. Secondly, it will be a precedent for similar sorts of committees to be set up in various local government areas where the Government of the day sees advantage in horning in and taking over, in a very powerful, persuasive way, the autonomous right of a local government to deliberate and decide major issues on its own sovereignty.

As I said in my second reading contribution, although we thoroughly support cooperation and the informal establishment of structures which both the State Government and the Adelaide City Council may see as propitious to forwarding the best development of the city and for the best cooperation between the two entities—there is no problem with that, it is fine, and while it is working and you have the right people on board that structure it will be rich in the rewards it brings to the city—to lock it into this legislative framework, to imprison the Adelaide City Council into the dominance that this committee will exercise, in my view is really sabotaging the whole spirit of the Adelaide City Council and its role as the sovereign local government entity of the capital city.

The vote on this amendment will be indicative to me of the major issue, that is, whether to support the total removal of the Capital City Committee from this legislation, which is my intention, and if I lose that I indicate that there is no further point in arguing the consequential and other substantial amendments.

The Hon. R.I. LUCAS: Obviously the Government opposes the amendment moved by the Hon. Mr Gilfillan. I placed on the record the Government's position in closing the second reading stage. Both the Minister and the Government reject the notion that this committee will become a Trojan Horse that ends up controlling the council. It is a mechanism to allow sensible cooperation between the Government and the Adelaide City Council. For the reasons I outlined in the second reading, the Government opposes the amendment.

The Hon. T.G. ROBERTS: The Labor Party opposes the amendment and supports the introduction of the Capital City Committee for the reasons that I outlined on behalf of the Labor Party in my second reading speech. I think the honourable member's fears may have been an accurate reflection if his contribution had been put up some two years ago. With the goodwill that has emerged out of the struggle for recognition of each other's position I think that this committee should be an integral part of an integrated decision making process that hopefully will allow for the cooperation that we keep talking about, and rather than being a Trojan Horse it should be a vehicle for the integrated respect that we require between both tiers of government. Hopefully, out of that will come a respect for each other's position in relation to responsibilities, roles and any determinations that might be made. I am hopefully and quietly confident that this vehicle will be a positive avenue for those sorts of outcomes.

Amendment negatived; clause passed.

Progress reported; Committee to sit again.

JOINT COMMITTEE ON TRANSPORT SAFETY

The House of Assembly informs the Legislative Council that it concurs with the resolution of the Legislative Council for the appointment of the joint committee and that the House of Assembly will be represented on the committee by three members, of whom two shall form the quorum necessary to be present at all sittings of the committee.

The Hon. DIANA LAIDLAW (Minister for Transport): I move:

That the members of the Legislative Council on the joint committee be the Hons Sandra Kanck, Diana Laidlaw and Carolyn Pickles.

Motion carried.

LEGAL PRACTITIONERS (MISCELLANEOUS) AMENDMENT BILL

Returned from the House of Assembly with an amendment.

AERODROME FEES BILL

Returned from the House of Assembly without amendment.

STATUTES AMENDMENT (MOTOR ACCIDENTS) BILL

The House of Assembly intimated that it insisted on its amendments to which the Legislative Council had disagreed.

Consideration in Committee.

The Hon. R.I. LUCAS: I move:

That the Legislative Council do not insist on its disagreement to the House of Assembly's amendments.

Motion negatived.

A message was sent to the House of Assembly requesting a conference at which the Legislative Council would be represented by the Hons M.J. Elliott, P. Holloway, R.I. Lucas, A.J. Redford and N. Xenophon.

CITY OF ADELAIDE BILL

In Committee (resumed on motion).

Clause 4.

The Hon. T.G. ROBERTS: I move:

Page 4, lines 10 and 11—leave out 'the schedule' and insert 'schedule 1'.

The major purpose of this amendment relates to conducting a review of the committee. It changes the relationship of the review by extending to seven years the practice of conducting a review.

The Hon. R.I. LUCAS: The Government's position is not to support this provision. I referred briefly to some of the reasons when closing the second reading debate. Ultimately the Government's position might not be to die in the ditch on this issue, but the view of the Minister and the Government is to look at this in a broader review of the Act later, rather than being asked to amend the provisions at this time and in this way. If ultimately the numbers in the Council are such that it prevails, I am sure it will be an issue that the Minister, on behalf of the Government, will explore in the conference.

The Hon. T.G. ROBERTS: The schedule is attached to the list of amendments that we have on file. I understand that it is one of those matters that will be discussed in conference, but we insist on moving our amendment.

Amendment carried; clause as amended passed.

Clause 5 passed.

Clause 6.

The Hon. T.G. ROBERTS: I move:

Leave out this clause and insert—

'Establishment of the Capital City Committee

6.The Capital City Committee is established.'

This amendment indicates the Opposition's support for having a non-incorporated body rather than an incorporated body. That is the effect of the amendment. We have moved the amendment in order to try to take into consideration some of the arguments put forward by the Adelaide City Council in relation to an evening up of the weight of the powers of the bodies. If those requirements of an incorporated body need to be triggered, the discussions that I have had and the arguments that have been put forward, namely, that the committee can go to the Adelaide City Council and that the council can perform those functions of an incorporated body on the committee's behalf, make sense in that it will encourage crossover responsibilities and information sharing. If any divisions are to occur between the committee, the council and/or the Government's policy development, the best way to eliminate that is to have as much discussion as possible. I believe that this amendment will encourage that.

The Hon. IAN GILFILLAN: I support the amendment.

The Hon. R.I. LUCAS: The Government opposes the amendment removing corporate status from the committee and preventing the committee's entering into contracts with agents and consultants and other forms of contract for the provision of services in its own right. It would, in the Government's view, make the administration of the committee more cumbersome than it needs to be on a day to day basis.

Amendment carried; clause as amended passed.

Clauses 7 to 13 passed.

Clause 14.

The Hon. T.G. ROBERTS: I move.

Page 6, lines 15 and 16—Leave out paragraph (a).

The Hon. IAN GILFILLAN: Having spoken vehemently in opposition to the committee, I think it does make some sense to support the Opposition's removal of the committee's power to engage agents and consultants and to enter into other forms of contract for the provision of services. That appears to me to be a provident move so that the committee at least has its wings mildly clipped. The Democrats therefore support the amendment.

Amendment carried; clause as amended passed.

Clauses 15 to 19 passed.

Clause 20.

The Hon. R.I. LUCAS: I move:

Page 9, lines 11 and 12—Leave out subclause (4).

Clause 20(3) provides that a person cannot hold office as Lord Mayor for more than two consecutive terms. A normal term is currently three years. The amendment to clause 20 deletes subclause (4), which provides that service as Lord Mayor immediately before the conclusion of the special elections this year will be disregarded for the purposes of calculating two consecutive terms; and instead new subclause (2) in clause 38 (transitional provisions) provides that the restriction applies at the conclusion of the council elections to be held in 2000 and that all previous service as Lord

Mayor will be disregarded for purposes of calculating two consecutive terms.

The Hon. IAN GILFILLAN: I support the amendment.

The Hon. T.G. ROBERTS: The Opposition opposes the amendment.

Amendment carried.

The Hon. IAN GILFILLAN: I move:

Page 9, lines 15 and 16—Leave out subclause (6) and insert:

(6) Subsections (1) and (2) operate subject to any change to the composition or representative structure of the council effected under part 2 of the Local Government Act 1934 after the relevant day.

My amendment and the amendment that will be moved by the Hon. Terry Roberts seek to vary the same aspect of the Bill, and that is the method of review of the form of the structure of the council. The Bill seeks to do that by way of proclamation under section 21 of the Act, which we see as being virtually under the authority and dominance of the Minister. In the circumstances, we find that unacceptable. My amendment effectively would bring the procedure of review under the normal process that is available under the Local Government Act.

I will not presume to speak to the Hon. Terry Roberts's amendment fully, but I understand from the explanation that has been given that the Opposition's amendment seeks to provide a moratorium period of two elections or seven years, which is longer than the term that would be available for review under the Act. After deliberation, I still believe that it is better for this review process for the Adelaide City Council to be the same as that which pertains to any council. My amendment, if successful, would have that effect.

The Hon. T.G. ROBERTS: I move:

Page 9, lines 15 and 16—Leave out subclause (6) and insert:

(6) The following provisions apply in relation to the application of part 2 of the Local Government Act 1934 to the council:

(a) subsections (1) and (2) operate subject to any change to the composition or representative structure of the council effected under part 2 of the Local Government Act 1934 after the seventh anniversary of the relevant day (and until that anniversary no such change can be made by proclamation under that Act); and

(b) sections 23 and 24 of the Local Government Act 1934 do not apply in relation to the council from the commencement of this section until the seventh anniversary of the relevant day; and

(c) the council must conduct a review under section 24 of the Local Government Act 1934 as soon as practicable after the seventh anniversary of the relevant day.

As indicated in my second reading contribution, this amendment does exactly what the honourable member says: it provides a period of two elections before a review takes place. That is one of the major reasons for moving it.

The Hon. R.I. LUCAS: The Government opposes the amendments of both the Hon. Mr Gilfillan and the Hon. Mr Roberts for the reasons that I outlined, in part, in my second reading reply. We will ask for subclause (6) to stay part of the Bill. However, as I understand that the forces of evil and darkness will outvote me, we will then be between the devil and the deep blue sea. I am advised that we will choose the devil and support the Hon. Mr Roberts's amendment.

Subclause (6) negatived; the Hon. Ian Gilfillan's amendment negatived; the Hon. Terry Roberts's amendment carried; clause as amended passed.

Clause 21.

The Hon. IAN GILFILLAN: This clause is opposed. It is consequential on the previous amendment.

The Hon. R.I. LUCAS: The Government's position is consistent with the position it adopted in respect of clause 20.

Clause negatived.

Clauses 22 to 31 passed.

Progress reported; Committee to sit again.

ROAD TRAFFIC (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly agreed to the Bill without any amendment.

MOTOR VEHICLES (CHEQUE AND DEBIT OR CREDIT CARD PAYMENTS) AMENDMENT BILL

The House of Assembly agreed to the Bill without any amendment.

STATUTES AMENDMENT (MOTOR ACCIDENTS) BILL

The House of Assembly agreed to grant a conference. The House of Assembly named the hour of 11 a.m. tomorrow to receive the managers on behalf of the Legislative Council at the Plaza Room.

CITY OF ADELAIDE BILL

In Committee (resumed on motion).

Clause 32.

The Hon. NICK XENOPHON: I move:

Page 14, lines 34 to 36, page 15, lines 1 to 14—Leave out subclause (1) and insert:

(1) The Council cannot pass a resolution under section 359(1) or (2) of the Local Government Act 1934 that would have the effect of a prescribed street, road or public place being closed (whether wholly or partially) to vehicles generally or vehicles of a particular class—

(a) for a continuous period of more than six months; or

(b) for periods that, in aggregate, exceed six months in any 12 month period,

unless any affected council has given to the Council its prior concurrence in writing to the making of the resolution.

This clause and the amendment to it are about stopping the Adelaide City Council closing War Memorial Drive, Jeffcott Road and other access roads from the suburbs to the city and North Adelaide. If we do not pass this clause the city council, by the device of employing the temporary closure provision of the Local Government Act, will be able to close access roads permanently without the need to consult. I use the verb 'to consult' advisedly because there is now no requirement that the city council consult anyone before closing roads by this means.

As things stand, the city council need not consult affected householders, motorists, cyclists nor adjacent suburban councils, nor Transport SA, nor the State Government. I add my voice to the clear majority in another place, including the member for Colton, a former Lord Mayor of the City of Adelaide, in supporting clause 32, which Parliamentary Counsel has titled 'Closure of streets, roads, etc. running to the boundary of the city'. The debate on this clause many would say is one of the general interest versus one of special interest.

We have a City of Adelaide Bill because the council of a capital city is different in material respects from suburban and district councils. These councils may be satisfactorily regulated by the Local Government Act, but the Corporation

of the City of Adelaide in charge of the capital city and the heart of South Australia needs special provisions. I regard clause 32 as being consistent with the Bill as a whole, particularly the 'Objects' clause, where Adelaide is referred to as the heart of South Australia, where ensuring access to the City of Adelaide for all South Australians is specifically mentioned as is the representation of the interests of South Australians not enfranchised to vote in elections for the corporation.

The process by which the city council has closed access roads leaves much to be desired. I am not talking here about road closures entirely within the built-up area of North Adelaide or the square mile, but about the closure of access roads, that is, roads which lead from the suburbs through the parklands to the built-up areas of the square mile of North Adelaide. Roads that have been closed include Beaumont Road, North Adelaide Station Road, and, more controversially, the closure of Barton Road in 1995 by mere resolution of the temporary closure provision of the Local Government Act.

The current form of section 359 was arrived at in 1986 when one of the many Local Government (Miscellaneous) Bills was passed. Parliamentary Counsel headed the section 'Temporary closure of streets or roads'. The reason Parliamentary Counsel did that is that both the Government and the Opposition intended the clause to apply to temporary closures only. The Parliament dealt with permanent closures when it passed the Roads (Opening and Closing) Act 1932, which was rewritten and consolidated as recently as 1991 when Parliament passed the current version unanimously. Moreover, there is provision in the Local Government Act for councils to pass by-laws closing roads indefinitely, but the city council is reluctant to use this head of power because by-laws must be laid before both Houses of Parliament and are subject to disallowance.

The parliamentary debate on section 359 in 1986 makes it clear that section 359 was for the Christmas Pageant, roadworks, the grand final parade, street fairs and scheduled demonstrations or protest marches. The 1986 clause notes to the amended section 359 read:

> Clause 27 amends section 359 of the principal Act so as to allow part only of a street, road or public place to be closed on a temporary basis.

Then Minister Wiese's second reading speech was in accord with the clause notes, but the Opposition spokesperson on local government went further and said:

> A further amendment to section 359 is to close public pathways and walkways on a temporary basis.

They were wise words, indeed, and I note that they were made by the Minister for Transport and I endorse what she said at that stage. Perhaps the Minister for Transport can explain to the Committee why the Adelaide City Council uses this provision to close roads permanently and why since the city council's interpretation is clearly at odds with the Government's and the Opposition's intention in relation to section 359 we should not do what we normally do in these circumstances and restore the misapplied section to its intended meaning and its application relieving those who have been disadvantaged by the misuse in the interim.

My amendment provides that, if the temporary closure provision is used by the Adelaide City Council to close a public road for more than six months, the resolution closing the road must be forwarded to the affected suburban council and that the council should have an opportunity to indicate whether it supports or opposes the closure. If the suburban council is opposed to the closure on its boundary then the city council cannot go ahead unilaterally. It can, however, use other methods to close roads, such as the Roads (Opening and Closing) Act, which is subject to ministerial review, or the city council can pass a by-law closing the road under the Local Government Act and that would be tabled before both Houses of Parliament.

If clause 32 remains unamended, then a resolution of the city council under section 359 to close an access road would be tabled like a by-law before both Houses of Parliament with the opportunity for either House to disallow the by-law within 14 sitting days. We have this provision for city council by-laws, some of which are of much less consequence than permanent access road closures, yet it appears the Government opposes this clause.

The Minister's case for dropping clause 32 from the Bill is not convincing. The Local Government Association, as I understand it, has indicated recently that it supports the amendment to clause 32 because it is preferable for these matters to be mediated by local government itself rather than by either House of Parliament. If the city council does not want to talk to the adjoining council about closure of an access road, it can avail itself of the provisions of the Roads (Opening and Closing) Act. Under that Act, a council closes a road by drafting a preliminary plan to close the road, notifying each adjoining landholder and publishing a public notice, usually through a classified advertisement in the public notices section of the *Advertiser*.

The procedure in the Roads (Opening and Closing) Act, which I will not go into in any great detail, is a procedure that embodies the principles of natural justice. This procedure may sound cumbersome in that it includes provisions for meetings of council, for the Surveyor-General to be involved, but 99 per cent of these applications under the Act zip through without any objections.

The proposed closure of Barton Road attracted a record number of objections under the Act, and that is one of the reasons why it was refused by the Minister on the recommendation of the Surveyor-General. I believe that the Roads (Opening and Closing) Act procedure, the procedure outlined in clause 32 and the amendment to clause 32 are all fair processes for the permanent or indefinite closure of roads. In my opinion, it is not due process, as I have understood due process, for a council to pass a resolution by a simple majority under section 359 of the Local Government Act closing a road in perpetuity. Both the clause and my amendment are consistent with the objects clause of the Bill. The closure of access roads affects a lot more people than just those who live in North Adelaide. A council's decision on those matters should be reviewed by either the Minister for Environment under the Roads (Opening and Closing) Act, the Parliament under the Local Government Act or the adjoining council under that Act.

As I mentioned earlier, there is a third means of local councils closing roads, and that is to pass a by-law closing an access road pursuant to section 667 of the Local Government Act. If members read section 667 together with the Roads (Opening and Closing) Act and the debate on section 359 in 1986, it is clear that the overall scheme for closing roads under section 359 was never intended to be a permanent or indefinite closure scheme.

That brings me to a section 359 closure which many would regard as irregular as the Barton Road closure. I refer to the closure of the Silkes Road ford where it meets Reids

Road at the border with the Campbelltown council in the suburb of Paradise. It is a matter with which I am quite familiar and the principal reason why I have moved this amendment.

It is not simply me and the member for Spence who believe that councils have been misusing section 359 of the Local Government Act when it comes to road closures on the boundary of two councils. I understand that members of the Government said so in 1995 during parliamentary debates in relation to this. I understand that Mr Sam Bass MP, in the House of Assembly, when responding to a private member's Bill on this topic, said:

> . . . the Minister of Transport and the Minister of Local Government Relations consider that action should be taken to review the provisions under section 359 of the Local Government Act. The review will enable the concerns of the member for Spence to be examined, particularly in regard to the issue of public notice where long-term vehicle exclusion is contemplated and to the need for dispute resolution where other councils are affected.

Unfortunately, it appears that the review did not occur as I understand it was going to. Today we can remedy the defect in the City of Adelaide for the future by supporting clause 32 either in its original form or as I propose to amend it. We can deal with the way in which section 359 has been used elsewhere in South Australia by working in cooperation with the Local Government Association when the completely redrafted local government Bill comes before Parliament later this year. I ask the Committee to support my amendment to clause 32 of the Bill.

The Hon. IAN GILFILLAN: When we had what I thought was a determining vote earlier (during the debate in relation to the first clause) the Committee decided in favour of my version of amendments to this clause. My amendment is identical with the Hon. Nick Xenophon's up to and including the definition of 'affected council'. I put in my argument for the preferred position at that point. I will not repeat it, except to say that we believe that this amendment does put the right process in place to deal with the proposed road closures. I believe that it has been very counterproductive to have two separate pieces of local government legislation before this Parliament, when we have looming the massive work of the major reform. It is such a shame that we have had to deal with these bits and pieces when it could have all been dealt with substantially at the one time. This may well be a precedent for what will be in the Local Government Reform Act.

As I indicated during the previous debate, I again repeat that it will be appropriate to look to see whether there is a need for an amendment to deal with whatever roads in whatever local government area may need to be addressed in this context. I ask members to support my amendment.

The Hon. DIANA LAIDLAW: In terms of local government and road practice and law, the Hon. Ian Gilfillan may be aware that it is proposed, with the major amendment of the Local Government Act, that the provisions in relation to traffic, parking and the like be removed from the Local Government Act and incorporated in the Road Traffic Act, so that all the provisions in relation to road traffic matters and management are in the one Act in the future. So, they will be in the one Act but not necessarily administered by me. That is similar to the arrangement with random breath tests: while it is in the Road Traffic Act, they are administered by the police but, if one made reference to legislation, all road traffic and local government matters would be involved in one Act. That is why I have some difficulty with this provision—even that moved by the Government. However, perhaps this issue will be addressed in the longer term by further reforms later this year or next year.

I want to comment on statements made by the Hon. Nick Xenophon. It is true that the Tea Tree Gully council, just prior to the local government elections some 18 months ago, decided to close Silkes Road. I thought it was a matter undertaken more as a political gesture in the context of local government elections rather than in terms of management. Certainly, people in the Campbelltown council area were very upset—and I do not know if the Hon. Nick Xenophon lives in the Campbelltown council area.

The Hon. Nick Xenophon interjecting:

The Hon. DIANA LAIDLAW: I think the nod means that he does. People in the Campbelltown council area were upset by this matter and I certainly believe that the process was insufficient, so I do not have difficulty with this matter being addressed as the Government has presented it, although I have difficulty with its being in this Bill. Certainly, that is my preferred option, but I understand the sentiment behind the amendments that have been moved by the Hon. Nick Xenophon and Hon. Ian Gilfillan.

I would not ever accept that we would go as far as the Hon. Nick Xenophon in terms of naming specific roads or retrospectively undoing what local government has done. I have addressed this matter two or three times in this Bill because it is part of the personal crusade which has been waged by the member for Spence not only in the other place but also in the Council on his behalf by the Hon. Paul Holloway on the latest occasion.

The Hon. R.I. Lucas: With much reluctance by Paul.

The Hon. DIANA LAIDLAW: The Hon. Paul Holloway's heart was not in it at all, and certainly in the legal sense I pointed out to him that, whenever it has been challenged, even by the member for Spence himself, the member for Spence's arguments in the legal context have not been upheld. It is a personal crusade and the member for Spence is entitled to play Party politics with it. But I always contend, as I think the member for Adelaide has, that the honourable member has taken it from personal crusade to personal vendetta in suggesting that I had any role in the closure of the road when it was a local council matter and was waged on that front. Anyway, he gives me credit where it is not due, but, as a result of the way he waged it and the nature of the debate in the other place in recent weeks, I think it would ensure that he is almost campaign manager for the member for Adelaide in North Adelaide. I suppose rather than thinking he has a personal vendetta, the honourable member is probably playing into the hands of the member for Adelaide.

The Hon. R.I. Lucas interjecting:

The Hon. DIANA LAIDLAW: The redistribution is another issue. I had probably better not comment on the redistribution at this stage. I wanted to highlight some of the ridiculous arguments that the member for Spence has waged in his personal campaign. He suggests that it takes an extra 5.69 kilometres to get from Brompton Mission to Calvary Hospital because of the road closure. He suggests it is necessary to go from Brompton Mission, Hawkers Road, turn right into Park Terrace, left into Port Road, right in West Terrace, left into Hindley Street, left into Morphett Street and left into Ward Street to get to the hospital. Only a person with the intelligence of the member for Spence could ever be so poor at navigating his way around Adelaide—or perhaps he has more time than the rest of us for manoeuvres. But it is

certainly a poor transport manoeuvre. Perhaps it is only wise or clever in terms of political manoeuvres. It is a ridiculous route, because anybody with intelligence who lives in North Adelaide would have navigated the route in the following way: Brompton Mission, Hawkers Road, left into Park Terrace, right into Jeffcott Street and right into Ward Street. It is 2.47 kilometres and it is the only sane and sensible route to take. It is highly accessible. If the member for Spence were really seeking to serve his electorate, he would provide some information as a service to his constituents to suggest that half the time and half the length of journey could be saved if they ever wished to move from Brompton Mission to Calvary Hospital. I do not want to pursue that debate further, but—

The Hon. R.I. Lucas: He must be running on the spot to get 5.9 kilometres.

The Hon. DIANA LAIDLAW: He is going around in ever increasing and then decreasing circles. It is important to put it on the record. If the member for Adelaide does have to serve the constituents of Ovingham in the future in terms of any electorate boundary, the first thing he can do is provide this information about a short, accurate, sensible route, not the one promoted by the member for Spence, which is a waste of time, a waste of money and a political exercise.

The Hon. T.G. ROBERTS: The Labor Party is convinced by the fine argument of the Hon. Nick Xenophon in relation to this issue. As the honourable member interjected, we should stick strictly to the Bill that we are discussing and keep it succinct. For those reasons, I will support the amendment.

The Hon. Diana Laidlaw: Don't take the route that the member for Spence takes.

The Hon. T.G. ROBERTS: Perhaps it is not an emergency. More of the honourable member's constituents travel up the hill than down. If the honourable member says that it is 5.7 kilometres in that direction, I am sure that he has measured it on his bike, but I will not argue with the Minister about whether it is the preferred route in terms of being the shortest.

Amendment carried.

The Hon. NICK XENOPHON: I move:

Page 15, after line 15—Insert:
'affected council', in relation to the closure of a prescribed street, road or public place, means a council into the area of which the street, road or public place runs, or a council whose boundary abuts the place to which the street, road or public place runs.

Amendment carried; clause as amended passed.

Clause 33 passed.

Clause 34.

The Hon. R.I. LUCAS: I move:

Page 16, line 23—Leave out '2001' and insert:
2003

As I indicated in the second reading stage, the Government does not support the reduction in the phasing out of the residential rate rebate from five years to three years. This amendment is consistent with the Government's position to return it to five years.

The Hon. IAN GILFILLAN: I support the Government's amendment.

Amendment carried.

The Hon. IAN GILFILLAN: We oppose the clause in its totality, amended or otherwise, because we believe that it is the proper responsibility and jurisdiction of the council itself to determine the residential rebates, the toing-and-froing, the pros and cons and who is or is not being treated unjustly. If this State Parliament was to intervene every time a council allegedly did something unfair in its rating policies or its attitude as elected representatives to the population who elected it, we would be accused of gross meddlesome treatment of local government. Therefore, our proposal is to take this Parliament's sticky fingers out of what is properly the Adelaide City Council's business and its business alone.

Clause as amended passed.

Clause 35 passed.

Clause 36.

The Hon. T.G. ROBERTS: I move:

Leave out this clause and insert:
Lodging of returns

36. (1) Every person who is elected as a member of the Adelaide City Council at the election held on the relevant day must, within 30 days after the relevant day, submit to the chief executive officer of the council a primary return in accordance with schedule 2.

(2) Every person who is elected as a member of the Adelaide City Council after the election held on the relevant day (other than a person who is re-elected as a sitting member of the council) or is appointed as a member of the council must, within 30 days after election or appointment, submit to the chief executive officer of the council a primary return in accordance with schedule 2.

(3) Every member of the Adelaide City Council must, on or within 60 days after 30 June in each year, submit to the chief executive officer of the council an ordinary return in accordance with schedule 2.

(4) If a member of the council fails to submit a return to the chief executive officer within the time allowed under this section, the chief executive officer must as soon as practicable notify the member of that fact.

(5) A notification under subsection (4) must be given by letter sent to the member by registered mail.

(6) A member of the council who submits a return under this section and schedule 2 that is to the knowledge of the member false or misleading in a material particular (whether by reason of information included in or omitted from the return) is guilty of an offence.

Maximum penalty: $10 000.

Creation and Inspection of Register

36A. (1) The chief executive officer of the council must maintain a Register of Interests and must cause to be entered in the Register all information furnished pursuant to this division and schedule 2.

(2) A member of the council who has submitted a return under this division may at any time notify the chief executive officer of a change or variation in the information appearing on the Register in respect of the member or a person related to the member within the meaning of schedule 2.

(3) A person is entitled to inspect (without charge) the Register at the principal office of the council during ordinary office hours.

(4) A person is entitled, on payment of a fee fixed by the council, to a copy of any part of the Register.

(5) A person must not publish—

(a) information derived from the Register unless the information constitutes a fair and accurate summary of the information contained in the Register and is published in the public interest; or

(b) comment on the facts set forth in the Register unless the comment is fair and published in the public interest and without malice.

(6) If information or comment is published by a person in contravention of subsection (5), the person, and any person who authorised the publication of the information or comment, is guilty of an offence.

Maximum penalty: $10 000.

Interaction with Local Government Act

36B. (1) This division and schedule 2 operate in substitution for Part 8 of the Local Government Act 1934.

(2) A reference in another part of the Local Government Act 1934 to a return under Part 8 of that Act will be taken to be a reference to a return under this division and schedule 2.

Clause negatived; new clause inserted.

Clause 37 passed.

Clause 38.

The Hon. R.I. LUCAS: I move:

Page 18, after line 11—Insert:

(2) Subsection (3) of section 20 applies from the conclusion of the general elections for the Adelaide City Council to be held on the first Saturday of May in 2000 (and any service as Lord Mayor before the conclusion of those elections will be disregarded for the purpose of that subsection).

The amendment is consequential on an earlier rare victory.

The Hon. NICK XENOPHON: I move:

Page 18, after line 11—Insert:

(2) Any resolution of Adelaide City Council in force under section 359 of the Local Government Act 1934 immediately before the commencement of this section that relates to Barton Road, North Adelaide, expires (unless it has been revoked or has already expired) six months after the commencement of this subsection.

(3) The Adelaide City Council must, on the expiry or revocation of a resolution referred to in subsection (2), take reasonable steps to re-establish Barton Road, North Adelaide, as a road that is suitable for the two way movement of public and private vehicular traffic between Hawker Street, Bowden, and Barton Terrace or Mills Terrace, North Adelaide.

(4) However—

(a) subsections (2) and (3) do not apply if the City of Charles Sturt gives to the Adelaide City Council before the expiration of the six month period referred to in subsection (2) its concurrence in writing to the continued closure of Barton Road, North Adelaide, to the two way movement of public and private vehicular traffic between Hawker Street, Bowden, and Barton Terrace or Mills Terrace, North Adelaide; and

(b) subsection (3) does not prevent the subsequent closure of Barton Road, North Adelaide, pursuant to section 359 of the Local Government Act 1934 and section 32 of this Act, or under another Act or law.

This amendment is a second transitional provision and provides that any section 359 resolution applying to Barton Road, North Adelaide, immediately before the start of this provision expires within six months of this provision starting. The city council is, of course, free to reinstate the Barton Road closure by-law, by the Roads (Opening and Closing) Act or by utilising section 32 of this Act to close an access road permanently. Before I speak on the demerits of the Barton Road closure, I want to meet head-on the Government's characterisation of this clause as a retrospective or retroactive amendment. The real objection to retrospective Acts is uncertainty. A person or council cannot be guided by the law if an enactment is passed that gives to that person's or council's conduct in the past a legal effect different from that which it could have had but for the enactment.

My amendment does not render the Barton Road closure invalid from its installation in 1987, nor does it refund to motorists the tens of thousands of dollars in expiation fees that have been levied by police at Barton Road in those years. In fact, my amendment does not even render the Barton Road closure invalid for at least six months, if at all.

The Hon. Diana Laidlaw interjecting:

The Hon. NICK XENOPHON: In response to the Minister's interjection, the amendment is clear. A process is there and it is subject to the outcome of the process. I should say as an aside that it is clear from the Supreme Court's decision in the Howie case in 1990 and from measures the council and the State Liberal Government have taken to try to validate the closure in the past few years that the closure has not been lawful throughout its duration. Despite the lack of lawful justification for the closure between 1987 and 1995, the council and the State Government have never been apologetic about extracting expiation fees from motorists via traffic infringement notices issued at Barton Road when those notices would not have been upheld in court.

It hardly lies in the mouth of the city council and the State Government to criticise this amendment for irregularity and unfairness when they pulled thousands of dollars out of motorists' wallets at Barton Road without any lawful authority. I query whether any of the Ministers in this Chamber will apologise to the motorists and cyclists wrongly issued with expiation notices at Barton Road in 1994 and early 1995 and make arrangements to refund their money. I think not.

To return to the argument about retrospectivity, this amendment does not give to the Barton Road closure, from 1987 to the present, a different legal effect to that which it has had during that period. The road closure law during that period remains what it was. It is not changed by this amendment as can be plainly seen from its terms. This amendment operates prospectively.

As I explained in debate on a previous clause, section 359 was never intended to operate as an indefinite or permanent closure device. Adelaide City Council well knew when it passed the section 359 resolution about Barton Road in 1993 that it was merely trying to evade the refusal of the Minister of Lands to ratify its closure plan under the Roads (Opening and Closing) Act. The council knew that this device was of dubious legality and, indeed, it has been fortunate not to have had the question tested in either the District Court or the Supreme Court.

Moreover, the Government's own code of practice for the installation of traffic control devices was violated by the City Council when it omitted to seek the agreement of the Charles Sturt Council to the traffic control devices it installed in Barton Road. The relevant clause of the code reads:

> The agreement of any adjoining council must be obtained if a device will affect traffic on the roads of the adjoining council area.

Adelaide City Council did not bother to tell the Charles Sturt Council, the then City of Hindmarsh and Woodville. Parliament will now, through clause 32 of this Bill, tell the council what it thinks the legitimate process for closing access roads from the suburbs to the city should be, and in six months time Barton Road, which is the only access road in the city closed pursuant to section 359 resolution, will undergo the process that will now apply universally, equally and normatively to roads of that class.

Even if one were to accept the Government's characterisation of this clause as retrospective, there are many occasions when retrospective measures are not contrary to the rule of law. The High Court has said so. Take, for instance, Justice Isaacs in *George Hudson Limited v. Australian Timber Workers Union*. As long ago as 1923, the High Court said, about the presumption against retrospectivity:

> But [the presumption's] application is not sure unless the whole circumstances are considered, that is to say, the whole of the circumstances with which the Legislature may be assumed to have had before it. What may seem unjust when regarded from the standpoint of one person affected may be absolutely just when a broad view is taken of all those affected. There is no remedial Act which does not affect some vested right but, when contemplated in total effect, justice may be overwhelmingly on the other side.

If ever there were an example of what Mr Justice Isaacs talks about, it is the road closure before us. The law lecturer, Geoffrey Walker, in his book *The Rule of Law* writes that even those:

> . . . who stood unwaveringly against the trend from law to arbitrariness and power in modern legal systems contended that situations could arise in which retroactive effect for legal rules was

not merely tolerable but could actually be essential in advancing the cause of legality. Such situations could stem from a failure to observe the requirements of the rule of law at an earlier stage.

It was the Adelaide City Council that ignored the rule of law when it bulldozed the Barton Road that had rolled down the hill to Bowden for more than 100 years, without a skerrick of legal authority, nor even a fig leaf of a section 359 resolution.

It was the Adelaide City Council that ignored the rule of law when it reconstructed Barton Road as a one lane busway snaking into the parkland without any legal authority. It was the Adelaide City Council that put itself above the law when it sooled the police onto hapless motorists and cyclists lawfully using the bus lane and had them fined on no legal authority. As the legal academic Leon Fuller writes:

> It is when things go wrong that the retroactive statute often becomes indispensable as a curative measure. Though the proper movement of law is forward in time, we sometimes have to stop and turn about to pick up the pieces.

I consider that it is inappropriate for it to be argued that this amendment is contrary to the rule of law or being unfair to the City Council or lacking due process. The people who have been denied due process are the people of the western suburbs, the people who live in the Charles Sturt council area, who never got a say in this closure and were issued brummy traffic infringement notices for eight years, notices which they obediently expiated. This was the expiation notice system at its worst.

I should also point out that the Democrats, in weighing the political aspects of the Barton Road dispute, ought not to be mesmerised by some of the arguments emanating from within North Adelaide. It seems that, whilst a comparatively small number of North Adelaide booths gave the Australian Democrats candidate in the State District of Adelaide an average result, they did much better in adjoining booths in Bowden and Mile End, where the figures were in the order of 18 to 20 per cent.

I accept that there were valid traffic reasons for putting traffic restrictions on Barton Road in 1987 during the construction of the Northwest Ring Route. Traffic movements at that time were especially tough on residents of Barton Terrace West, although they were not unduly burdensome on Hill Street. But the excess traffic on Barton Road stopped the day that the Northwest Ring Route was opened in September 1990, with the completion of the Park Terrace Bridge over the northern railway. The bridge let city bound traffic from Ovingham, Bowden and Brompton travel to Port Road via Park Terrace for the first time. The shortest ways to the city for people in the inner west are via Port Road and via War Memorial Drive. A City Council study of travel times in 1991 shows that the western suburbs motorists who used Barton Road to get to the square mile would be daft—which is not to say that a few will not do it.

The people being punished by the Barton Road closure now are people who live close to North Adelaide in suburbs such as Bowden and Hindmarsh and who want to travel to facilities in western North Adelaide, such as Calvary Hospital, the Mary Potter Hospice, St Dominic's Priory School, the Red Cross, the Helping Hand Home, St Lawrence's Catholic Church and the doctors and dentists surgeries in that area.

The Hon. Ian Gilfillan interjecting:

The Hon. NICK XENOPHON: I will put the Hon. Ian Gilfillan out of his misery very shortly, Mr Chairman. The radio announcer Bob Francis who lives in Hill Street, North Adelaide, but who was raised in the Town of Hindmarsh where his father, Les, was a councillor, says that to get back to his old stomping ground he has to ride his Harley Davidson north along Hill Street, along Ward Street, then south along Jeffcott Street and down Montefiore Hill past Adelaide Oval, over the River Torrens and the railway line at Morphett Street Bridge, right into Hindley Street near Light Square, then wait at the lights, turn right into West Terrace, veer left along Port Road past the Railways Oval, over the railway bridge by the Police Barracks, right by the Bonython Park, at Thebarton Squatters Arms Hotel, past Coca-Cola Bottlers and the brewery, and then Mr Francis is back to a spot which he could see from his home before he started. This is crazy.

The Hon. Diana Laidlaw interjecting:

The Hon. NICK XENOPHON: I think this stands up to scrutiny, Mr Chairman.

The Hon. Ian Gilfillan interjecting:

The Hon. NICK XENOPHON: No, I am quite sure it does. When the Surveyor-General advised the Minister of Lands to refuse the closure he said this, and I quote:

> The purpose of the Roads (Opening and Closing) Act is to provide a means of rationalising road and traffic needs and to dispose of old and unwanted roads while preserving the proprietary rights of individuals and the public in general. Roads are a public resource of the whole State and good reason must be shown for closing them against the public interest. Road closure should be the last resort of traffic management.
>
> There is no doubt the illegal closure fulfilled an interim need during the construction of the Northwest Ring Route to give a measure of safety and peace to residents in that part of North Adelaide while the roadworks were in practice. However, with the completion of the ring route, the Department of Road Transport expects that normal traffic flow via Barton Road would, by and large, be limited to residents of Ovingham, Bowden and Brompton.

He goes on:

> Operating under the same criteria as the relevant authority, the City Council, I consider that the council has not demonstrated that the road is not reasonably required as a road for public use in view of the present and future needs in the area. This is particularly so in view of the fact that the land is still to be used for STA bus transit and because of the weight of valid objections by local persons to its closure. Sufficient grounds exist to sustain the objections of immediate persons affected and to retain the road in public ownership, particularly in view of the express purpose of the Act to preserve the propriety rights of individuals and the public generally.

In conclusion, when the Barton Road closure was subjected to due process in the Supreme Court before Mr Justice Duggan in 1990 it was struck down. When the Barton Road closure was subjected to due process before the Surveyor-General in 1993 it was struck down. The City Council will not accept the umpire's decision. What this amendment achieves is to subject the Barton Road closure to due process by submitting it for the consideration of the council representing the thousands of people affected by its closure, namely, those in the City of Charles Sturt. If for the first time in 11 years the closure can stand up to the scrutiny of due process I for one will accept it. I ask members to support the amendment.

The Hon. IAN GILFILLAN: We oppose the amendment. We have made the point on several earlier occasions that we do not believe it is appropriate for a particular case to be dealt with in this way. In the argument for this measure an assumption was made that the Democrats were mesmerised by some voting strength in North Adelaide; I would refute that. The basis of our attitude to this is the propriety of this Parliament dictating in detail to a council what it does with an issue before it. That may well be dealt with globally

in the substantive Act when it comes into effect later, possibly early next year. We oppose the amendment.

The Hon. R.I. LUCAS: For the reasons outlined earlier, the Government opposes the amendment.

The Hon. R.I. Lucas's amendment carried.

The Committee divided on the Hon. N. Xenophon's amendment:

AYES (8)

Cameron, T. G.	Holloway, P.
Pickles, C. A.	Roberts, R. R.
Roberts, T. G.	Weatherill, G.
Xenophon, N. (teller)	Zollo, C.

NOES (11)

Davis, L. H.	Dawkins, J. S. L.
Elliott, M. J.	Gilfillan, I.
Griffin, K. T.	Kanck, S. M.
Laidlaw, D. V.	Lawson, R. D.
Lucas, R. I. (teller)	Schaefer, C. V.
Stefani, J. F.	

PAIR

Crothers, T.	Redford, A. J.

Majority of 3 for the Noes.

New subclauses (2), (3) and (4) thus negatived.

Schedule.

The Hon. IAN GILFILLAN: The remainder of my amendments are involved with the voting system and can be dealt with singularly, if the Committee is agreeable. They are designed to introduce a compulsory obligation to return a voting form, and in many ways it is identical with the amendment on file from the Opposition. For the convenience of the Committee, the Opposition's amendment varies from my amendment by including polling booths as part of the amendment. In other words, it would be identical with the State voting pattern. My amendment embraces postal voting exclusively because it appeared to be the way that the local government community wanted to go. I will not be particularly upset if the Opposition's amendment is successful over mine.

The CHAIRMAN: We need to go through each amendment.

The Hon. IAN GILFILLAN: In those circumstances, because I have already had discussions with the Government and I understand that of the two formulae the Opposition's formulae is preferred, there is little point in my persisting with my pattern, because it will be defeated. Having recorded this position in the *Hansard*, I indicate that, rather than put the Committee through this rather tortuous stage of going through the Bill bit by bit, I will not persist with my amendments.

The CHAIRMAN: I understand then that the amendments to be moved by the Hon. Terry Roberts will persist and that the Hon. Mr Gilfillan's amendments will not be moved.

The Hon. R.I. LUCAS: I am advised that, as members know from the second reading, the Government strongly opposes compulsory voting. However, the numbers in Committee are such that compulsory voting will be passed in this Chamber and go to conference. When given the choice of the Devil with polling booths or the deep blue sea with postal voting, as proposed by the Hon. Mr Gilfillan, my advice is that the Government will adopt a position to support polling booths, but will do so on the basis that the Government will review its position and will further explore the notion of polling booths and postal voting during the conference. I am told that that is permissible. For the moment we will all be supporting, as I understand it, the polling booth option as opposed to postal voting. The Government nevertheless opposes the notion of compulsory voting in local government.

The Hon. T.G. ROBERTS: I move:

Schedule, clause 1, page 19, after line 6—Insert: 'closing date' means a closing date under clause 6(1);

Schedule, clause 1, page 19, after line 7—Insert:

'nominated agent' means a person nominated under clause 5 to act as an elector on behalf of a body corporate or group of persons;

Schedule, clause 1, page 19, lines 10 and 11—Leave out the definition of 'polling day' and insert:

'polling day', in relation to an election or poll, means the day on which the election or poll is to be held;

Schedule, clause 1, page 19, lines 13 and 14—Leave out subclause (2).

Schedule, clause 3, page 19, line 26—Leave out '7 December' and insert: 12 December

Schedule, clause 5, page 20, lines 36 to 40—Leave out subclauses (3) and (4) and insert:

(3) A body corporate or a group that is entitled to be enrolled on the voters roll in pursuance of subclause (l)(b) or (c) may, by notice in writing (in the prescribed form and containing the prescribed declarations) lodged with the Council—

(a) nominate a natural person to act as an elector on its behalf; or

(b) cancel any such nomination previously made and make a fresh nomination in its place,

(and any such nomination will take effect from the next closing date under clause 6).

(4) A person may not be nominated as the nominated agent of a body corporate or a group under subclause (3) unless that person—

(a) is of or above the age of majority; and

(b) —

(i) in the case of a nomination made by a body corporate—is an officer of the body corporate;

(ii) in the case of a nomination by a group—is a member of the group or an officer of a body corporate that is a member of the group.

(5) If the chief executive officer does not, as at 4 p.m. on a closing date, hold a nomination from a body corporate under subclause (3), the body corporate will be taken to have nominated its principal public officer to act as an elector on its behalf.

(6) If the chief executive officer does not, as at 4 p.m. on a closing date, hold a nomination from a group under subclause (3), the group will be taken to have nominated, subject to the operation of subclause (7)—

(a) if there is only one member of the group who is not enrolled on the relevant voters roll under subclause (1)(a) or (b)—that member of the group;

(b) if there are two or more members of the group who are not enrolled on the relevant voters roll under subclause (l)(a) or (b)—that member of the group whose name appears first in the assessment book in respect of the relevant rateable property (disregarding those members who are already enrolled on the relevant voters roll under subclause (1)(a) or (b)).

(7) If the relevant member of a group under subclause (6) is a body corporate, the principal public officer of that body corporate will be taken to be the nominee of the group

(8) For the purposes of subclauses (5) and (7), the 'principal public officer' of a body corporate will be taken to be the first of the following people who is eligible to be nominated under subclause (4):

(a) —

(i) in the case of a company—the company secretary (or, if more than one company secretary, a company secretary (to be taken in alphabetical order));

(ii) in the case of a body corporate (other than a company) that is required to have a public officer—its public officer;

(b) a director of the body corporate (to be taken in alphabetical order);

(c) any manager of the body corporate (to be taken or determined in alphabetical order)

(9) In determining who is the principal public officer of a body corporate under subclause (8), the chief executive officer may assume that any information supplied to him or her at any time during a period commencing seven weeks before a closing date and ending two weeks after a closing date by a public authority responsible for the registration or incorporation of a particular class of bodies corporate concerning the name, address or age of an officer of a body corporate of that class is current and accurate.

(10) If a person is taken to be the nominee of a body corporate or group under subclauses (5) to (9), the chief executive officer must take steps to advise the body corporate or group of that fact in accordance with procedures set out in the regulations.

(11) A nomination in force under this clause will be recorded in the voters roll alongside the name of the relevant body corporate or group.

(12) A person whose name is recorded in the voters roll under subclause (11) will be regarded as having been enrolled as an elector for the purposes of this Act and the Local Government Act 1934 (and as being a nominated agent for the purposes of the Local Government Act 1934).

(13) A nominated agent of a body corporate or group under section 91 of the Local Government Act 1934 immediately before the commencement of this schedule will be taken to have been nominated by the body corporate or group under this clause (until a fresh nomination is made).

Schedule, clause 6, page 21, line 6—Leave out 'fourth Thursday of February and the fourth' and insert: second Thursday of February and the second

Schedule, clause 6, page 21, line 8—Leave out 'must be commenced at least five weeks before a closing date and completed within two' and insert: must be completed within four

Schedule, clause 6, page 21, lines 10 to 21—Leave out subclauses (3), (4), (5) and (6).

Schedule, clause 6, page 21, line 26—Leave out 'at least five weeks before' and insert: within 14 days after

Schedule, clause 6, page 21, line 27—Leave out 'date of supply' and insert: closing date

Schedule, clause 6, page 21, lines 33 to 35—Leave out subclause (10).

Schedule, clause 7, page 22, lines 3 to 34—Leave out this clause and insert:

Entitlement to vote

7. (1) A natural person whose name appears in the voters roll used for an election or poll as an elector in his or her own right or as a nominated agent is entitled to vote at that election or poll.

(2) If an elector's name appears in the voters roll used for an election or poll both as an elector in his or her own right and as a nominated agent, the elector is entitled to vote at the election or poll both in his or her own right and as a nominated agent.

(3) If an elector's name appears in the voters roll used for an election or poll as a nominated agent under a number of separate nominations, the elector is entitled to vote at the election or poll in respect of each of those nominations.

(4) If a person is entitled to vote at an election or poll in more than one capacity, the provisions of this schedule (and, insofar as is relevant, the Local Government Act 1934) will be construed so that they may apply to the person distinctively in relation to each such capacity.

(5) A person whose name has been omitted in error from a voters roll used for an election or poll is, subject to this schedule, entitled to vote at the election or poll as if the error had not occurred.

(6) Subject to a preceding subclause, an entitlement to vote operates on the basis of—

(a) if the area of the Council is divided into wards—one vote for each ward for which the person is enrolled; and

(b) if relevant—one vote for the area of the Council as a whole in a particular election.

(7) If a person is entitled to vote in more than one ward, the person is still only entitled to one vote for the area of the Council as a whole.

Schedule, clause 8, page 23, lines 1 to 6—Leave out paragraphs (b), (c) and (d) and insert:

(b) the person's name has been omitted in error from the voters roll for the area

Schedule, clause 8, page 23, lines 7 to 11—Leave out subclause (2).

Schedule, clause 9, page 23, line 14—Leave out '(or, in the case of a nominee of a body corporate or group, be nominated)'.

Schedule, clause 9, page 23, lines 20 to 22—Leave out subclause (3).

Schedule, pages 23, 24, 25 and 26—Leave out Part 5 (clauses 10, 11, 12, 13, 14, 15, 16 and 17) and insert—

PART 5

ADVANCE VOTING

Special provisions

10. (1) An envelope used for the purposes of advance voting for the City of Adelaide under section 106 of the Local Government Act 1934 must bear—

(a) one declaration in the prescribed form, to be completed by the voter, to the effect—

(i) that the voter is of or above the age of majority; and

(ii) that the ballot paper contained in the envelope contains his or her vote; and

(iii) that he or she has not already voted at the election or poll; or

(b) two declarations in the prescribed form, to be completed by the voter—

(i) one being a declaration in which the voter sets out the grounds on which he or she claims to be entitled to vote; and

(ii) the other being the declaration referred to in paragraph (a).

(2) Advance voting papers issued pursuant to section 106(4) of the Local Government Act 1934 must—

(a) in the case of an applicant whose name appears in the voters roll—include an envelope of the kind referred to in subclause (1)(a): or

(b) in the case of an applicant whose name does not appear in the voters roll—include an envelope of the kind referred to in subclause (1)(b).

(3) A witness is not required for the purposes of advance voting for the City of Adelaide.

(4) The returning officer may make arrangements for the confidential scrutiny of envelopes returned to electoral officers for the purposes of advance voting before the envelopes are deposited in sealed ballot boxes.

Advance voting not to be generally used

11. Voting at an election or poll for the City of Adelaide cannot be conducted entirely by the use of advance voting papers under section 106a of the Local Government Act 1934.

Schedule, clause 19—This clause will be opposed.

Schedule, page 28, after line 12—Insert new Part as follows:

PART 8

COMPULSORY VOTING

Compulsory voting

22. (1) Subject to this clause, it is the duty of every elector to record his or her vote at each election for the Council for which the elector is entitled to vote.

(2) An elector who leaves the ballot paper unmarked but who otherwise observes the formalities of voting is not in breach of the duty imposed by subclause (1).

(3) In the case of a body corporate or group of persons who are enrolled under clause 5(1), the duty is imposed on the nominated agent (rather than the body corporate or group).

(4) Within the prescribed period after the close of each election, the returning officer must send by post to each elector who appears not to have voted at the election a notice, in the prescribed form—

(a) notifying the elector that he or she appears to have failed to vote at the election and that it is an offence to fail to vote at an election without a valid and sufficient reason; and

(b) calling on him or her to show cause why proceedings for failing to vote at the election without a valid and sufficient reason should not be instituted against him or her,

but the returning officer, if satisfied that the elector is dead or had a valid and sufficient reason for not voting, need not send such a notice.

(5) Before sending any such notice, the returning officer must insert in the notice a date, not being less than 21 days after the date of posting of the notice, on which the form

attached to the notice, duly filled up and signed by the elector, is to be in the hands of the returning officer.

(6) Every elector to whom a notice under this clause has been sent must complete the form at the foot of the notice by stating in it the reasons (if any) why proceedings for failing to vote at the election should not be instituted against him or her, sign the form and return it to the returning officer not later than the date inserted in the notice.

(7) If an elector is absent or unable, by reason of physical incapacity, to complete, sign and return the form, within the time allowed under subclause (5), any other person who has personal knowledge of the facts may complete, sign and return the form, duly witnessed, within that time, and, in that case, the elector will be taken to have complied with subclause (6).

(8) An elector must not—

(a) fail to vote at an election without a valid and sufficient reason for the failure; or

(b) on receipt of a notice under subclause (4), fail to complete, sign and return the form (duly witnessed) that is attached to the notice within the time allowed under subclause (5).

Maximum penalty: $50. Expiation fee: $10.

(9) An elector has a valid and sufficient reason for failing to vote at an election if—

(a) the elector was ineligible to vote at the election; or

(b) the elector was absent from the State on polling day; or

(c) the elector had a conscientious objection, based on religious grounds, to voting at the election; or

(d) in a case where the elector is the nominated agent of a body corporate or group of persons under clause 5—the elector did not know, and could not reasonably be expected to have known, that he or she had been nominated under that clause;

(e) there is some other proper reason for the elector's failure to vote

(10) A prosecution for an offence against this clause—

(a) cannot be commenced except by the returning officer or an officer authorised in writing by the returning officer;

(b) in the case of a prosecution for failing to vote at an election or failing to return a notice to the returning officer in accordance with subclause (5)—may be commenced at any time within 12 months of polling day.

(11) In proceedings for an offence against this clause—

(a) a certificate apparently signed by the returning officer certifying that an officer named in the certificate was authorised to commence the prosecution will, in the absence of proof to the contrary, be accepted as proof of that authority;

(b) a certificate apparently signed by an officer certifying that the defendant failed to vote at a particular election will be accepted as proof of that failure to vote in the absence of proof to the contrary;

(c) a certificate apparently signed by an officer certifying that a notice under subclause (4) was posted to an elector, at the address appearing on the voters roll or at a postal address provided by the elector, on a date specified in the certificate, will be accepted, in the absence of proof to the contrary, as proof—

(i) that the notice was duly sent to the elector on that date; and

(ii) that the notice complied with the requirements of this clause; and

(iii) that it was received by the elector on the date on which it would, in the ordinary course of post, have reached the address to which it was posted;

(d) a certificate apparently signed by an officer certifying that the defendant failed to return a form under this clause to the returning officer within the time allowed under subclause (5) will be accepted, in the absence of proof to the contrary, as proof of the failure to return the form within that time.

Form of ballot paper

23. The following statement must be printed at the top of every ballot paper for an election for the City of Adelaide so as to be clearly legible by the voter:

You may leave the ballot paper unmarked if you do not wish to register an actual vote in this election.

The Hon. IAN GILFILLAN: I indicate the Democrats' support for these amendments.

Amendments carried.

The Hon. NICK XENOPHON: I move:

Schedule, page 28, after line 12—Insert New Part as follows:

PART 9

CAMPAIGN DONATIONS AND EXPENDITURE

DIVISION 1—PRELIMINARY

Interpretation

24. In this Part—

'disposition of property' means a conveyance, transfer, assignment, settlement, delivery, payment or other alienation of property, and includes—

(a) the allotment of shares in a company; and

(b) the creation of a trust in property; and

(c) the grant or creation of a lease, mortgage, charge, servitude, licence, power or partnership or any interest in property; and

(d) the release, discharge, surrender, forfeiture or abandonment, at law or in equity, of a debt, contract or chose in action or any interest in property; and

(e) the exercise by a person of a general power of appointment of property in favour of another person; and

(f) a transaction entered into by a person with intent thereby to diminish, directly or indirectly, the value of the person's own property and to increase the value of the property of another person;

'electoral advertisement' means an advertisement containing electoral material;

'electoral material' means an advertisement, notice, statement or representation calculated to affect the result of an election or poll;

'gift' means a disposition of property made by a person to another person, otherwise than by will, being a disposition made without consideration in money or money's worth or with inadequate consideration, and includes the provision of a service (other than volunteer labour) for no consideration or for inadequate consideration;

'journal' means a newspaper, magazine or other periodical, whether published for sale or for distribution without charge;

property' includes money;

'registered industrial organisation' means an organisation registered under the Industrial and Employee Relations Act 1994 or under a law of the Commonwealth or another State or a Territory concerning the registration of industrial organisations.

DIVISION 2—RETURNS

Returns for candidates

25. (1) A person who is a candidate for election to an office of the Adelaide City Council must, within six weeks after the conclusion of the election, furnish to the chief executive officer of the Council, in accordance with the requirements of this Part—

(a) a campaign donations return under this Division: and

(b) a campaign expenditure return under this Division.

(2) The returns must be in the prescribed form and completed in the prescribed manner.

Campaign donations returns

26. (1) Subject to this clause, a campaign donations return for a candidate for election to an office of the Adelaide City Council must set out—

(a) the total amount or value of all gifts received by the candidate during the disclosure period; and

(b) the number of persons who made those gifts; and

(c) the amount or value of each gift; and

(d) the date on which each gift was made; and

(e) in the case of each gift made on behalf of the members of an unincorporated association, other than a registered industrial organisation—

(i) the name of the association; and

(ii) the names and addresses of the members of the

executive committee (however described) of the association; and

(f) in the case of each gift purportedly made out of a trust fund or out of the funds of a foundation—

(i) the names and addresses of the trustees of the fund or of the funds of the foundation; and

(ii) the title or other description of the trust fund or the name of the foundation, as the case requires; and

(g) in the case of each other gift—the name and address of the person who made the gift.

(2) A campaign donations return need not set out any details required by subclause (1) in respect of—

(a) a private gift made to the candidate; or

(b) a gift if the amount or value of the gift is less than $500

(3) For the purposes of this clause—

(a) subject to paragraph (b), the disclosure period is the period that commenced—

(i) in relation to a candidate in an election who was a new candidate (other than a candidate referred to in subparagraph (ii))—12 months before polling day for the election;

(ii) in relation to a candidate in an election who was a new candidate and when he or she became a candidate in the election was a member of the Council by virtue of having been appointed under the Local Government Act 1934—on the day on which the person was so appointed as a member of the Council;

(iii) in relation to a candidate in an election who was not a new candidate—at the end of 30 days after polling day for the last preceding election in which the person was a candidate,

and that ended, in any of the above cases, at the end of 30 days after polling day for the election.

(b) for the purposes of the general election held under clause 3(1), the disclosure period for a candidate in the election is the period that commences on the day on which this Part comes into operation and that ends at the end of 30 days after polling day for the election.

(c) a candidate is a new candidate, in relation to an election, if the person had not been a candidate in the last general election of the Council and had not been elected at a supplementary election held after the last general election of the Council;

(d) two or more gifts (excluding private gifts) made by the same person to a candidate during the disclosure period are to be treated as one gift;

(e) a gift made to a candidate is a private gift if it is made in a private capacity to the candidate for his or her personal use and the candidate has not used. and will not use, the gift solely or substantially for a purpose related to an election.

(4) If no details are required to be included in a return under this clause for a candidate, the return must nevertheless be lodged and must include a statement to the effect that no gifts of a kind required to be disclosed were received.

Campaign expenditure return

27. (1) Subject to this clause, a campaign expenditure return for a candidate for election to an office of the Adelaide City Council must set out details of all campaign expenditure in relation to the election incurred by or with the authority of the candidate.

(2) For the purposes of this clause, campaign expenditure, in relation to an election, is expenditure incurred on—

(a) the broadcasting of an electoral advertisement relating to the election; or

(b) the publishing in a journal of an electoral advertisement relating to the election; or

(c) the display at a theatre or other place of entertainment, of an electoral advertisement relating to the election; or

(d) the production of an electoral advertisement relating to the election, being an advertisement that is broadcast, published or displayed as mentioned in paragraph (a), (b) or (c); or

(e) the production of any material (not being material referred to in paragraph (a), (b) or (c)) that is required under section 133 of the Local Government Act 1934 to include the name and address of the author of the material or of the person who is the printer of the material (in the case of printed electoral material): or

(f) consultants' or advertising agents' fees in respect of—

(i) services relating to the election; or

(ii) material relating to the election; or

(g) the carrying out of an opinion poll, or other research, relating to the election; or

(h) the production and distribution of electoral material that is addressed to particular persons or organisations; or

(i) other matters or items of a prescribed kind.

(3) If a candidate incurred campaign expenditure of a total amount not exceeding $500 in relation to an election (or incurred no campaign expenditure), the return may be lodged as a 'Nil' return.

Certain gifts not to hoe received

28. (1) It is unlawful for a member of the Adelaide City Council to receive a gift made to or for the benefit of the member the amount or value of which is not less than $500 unless—

(a) the name and address of the person making the gift are known to the member; or

(b) at the time when the gift is made, the person making the gift gives to the member his or her name and address and the member has no grounds to believe that the name and address so given are not the true name and address of the person making the gift.

(2) It is unlawful for a candidate in an election, or a person acting on behalf of a candidate in an election, to an office of the Adelaide City Council to receive a gift made to or for the benefit of the candidate the same amount or value of which is not less than $500 unless—

(a) the name and address of the person making the gift are known to the person receiving the gift; or

(b) at the time when the gift is made, the person making the gift gives to the person receiving the gift his or her name and address and the person receiving the gift has no grounds to believe that the name and address so given are not the true name and address of the person making the gift.

(3) For the purposes of this clause—

(a) a reference to a gift made by a person includes a reference to a gift made on behalf of the members of an unincorporated association;

(b) a reference to the name and address of a person making a gift is—

(i) in the case of a gift made on behalf of the members of an unincorporated association, other than a registered industrial organisation—a reference to—

(A) the name of the association; and

(B) the names and addresses of the members of the executive committee (however described) of the association; and

(ii) in the case of a gift purportedly made out of a trust fund or out of the funds of a foundation—a reference to—

(A) the names and addresses of the trustees of the fund or of the funds of the foundation; and

(B) the title or other description of the trust fund or the name of the foundation, as the case requires;

(c) a person who is a candidate in an election is to be taken to remain a candidate for 30 days after the polling day for the election;

(d) a reference to a candidate in an election includes a reference to a person who is already a member of the Council.

(4) If a person receives a gift that, by virtue of this clause, it is unlawful for the person to receive, an amount equal to the amount or value of the gift is payable by that person to the Crown and may be recovered by the Crown as a debt by action, in a court of competent jurisdiction, against the person.

Inability to complete returns

29. If a person who is required to furnish a return under this Division considers that it is impossible to complete the return because he or she is unable to obtain particulars that are required for the preparation of the return. the person may—

(a) prepare the return to the extent that it is possible to do so without those particulars; and

(b) furnish the return so prepared; and

(c) give to the chief executive officer notice in writing—

(i) identifying the return; and

(ii) stating that the return is incomplete by reason that he or she is unable to obtain certain particulars; and

(iii) identifying those particulars; and

(iv) setting out the reasons why he or he is unable to obtain those particulars; and

(v) if the person believes, on reasonable grounds, that another person whose name and address he or she knows can give those particulars—stating that belief and the reasons for it and the name and address of that other person.

and a person who complies with this clause is not, by reason of the omission of those particulars, to be taken, for the purposes of this Division, to have furnished a return that is incomplete.

Amendment of returns

30. (1) A person who has furnished a return under this Division may request the permission of the chief executive officer to make a specified amendment of the return for the purpose of correcting an error or omission.

(2) A request under subclause (1) must—

(a) be by notice in writing signed by the person making the request; and

(b) be lodged with the chief executive officer.

(3) If—

(a) a request has been made under subclause (1); and

(b) the chief executive officer is satisfied that there is an error in, or omission from, the return to which the request relates, the chief executive officer must amend the return, or permit the person making the request to amend the return, in accordance with the request

(4) The amendment of a return under this clause does not affect the liability of a person to be convicted of an offence arising out of the furnishing of the return.

Offences

31. (1) A person who fails to furnish a return that the person is required to furnish under this Division within the time required by this Division is guilty of an offence.

Maximum penalty: $10 000.

(2) A person who furnishes a return or other information—

(a) that the person is required to furnish under this Division; and

(b) that contains a statement that is, to the knowledge of the person, false or misleading in material particular,

is guilty of an offence.

Maximum penalty: $10 000.

(3) A person who furnishes to another person who is required to furnish a return under this Division information—

(a) that the person knows is required for the purposes of that return; and

(b) that is, to that person's knowledge, false or misleading in a material particular,

is guilty of an offence.

Maximum penalty: $10 000.

(4) An allegation in a complaint that a specified person had not furnished a return of a specified kind as at a specified date will be taken to have been proved in the absence of proof to the contrary.

Failure to comply with Division

32. (1) If a person who is required to furnish a return under this Division fails to submit the return within the time required by this Division, the chief executive officer must as soon as practicable notify the person of that fact.

(2) A notification under subclause (1) must be given by letter sea to the person by registered mail.

(3) A failure of a person to comply with a provision of this Division in relation to an election does not invalidate that election.

DIVISION 3—PUBLIC ACCESS TO INFORMATION

Public inspection of returns

33. (1) The chief executive officer of the Adelaide City Council must keep at the principal office of the Council each return furnished to the chief executive officer under Division 2.

(2) Subject to this clause, a person is entitled to inspect a copy of a return under Division 2, without charge, during ordinary business hours at the principal office of the Council.

(3) Subject to this clause, a person is entitled, on payment of a fee fixed by the Council, to obtain a copy of a return under Division 2.

(4) A person is not entitled to inspect or obtain a copy of a return until the end of eight weeks after the day before which the return was required to be furnished to the chief executive officer.

Restrictions on publication

34. (1) A person must not publish—

(a) information derived from a return under Division 2 unless the information constitutes a fair and accurate summary of the information contained in the return and is published in the public interest: or

(b) comment on the facts set forth in a return under Division 2 unless the comment is fair and published in the public interest and without malice.

(2) If information or comment is published by a person in contravention of subclause (l), the person, and any person who authorised the publication of the information or comment, is guilty of an offence.

Maximum penalty: $10 000.

DIVISION 4—RELATED MATTERS

Requirement to keep proper records

35. (1) A person must take reasonable steps to keep in his or her possession all records relevant to completing a return under this Part.

Maximum penalty: $5 000.

(2) A person must keep a record under subclause (1) for at least two years after the date on which the relevant return is required to be furnished to the chief executive officer of the Council under this Part.

Maximum penalty: $5 000.

Related matters

34. (1) For the purposes of this Part, the amount or value of a gift consisting of or including a disposition of property other than money is, if the regulations so provide, to be determined in accordance with principles set out or referred to in the regulations.

(2) For the purposes of this Part—

(a) a body corporate and any other body corporate that is related to the first-mentioned body corporate is to be taken to be the same person; and

(b) the question whether a body corporate is related to another body corporate is to be determined in the same manner as under the Corporations Law.

(3) For the purposes of this Part, an act performed by a person or committee appointed or formed to assist the campaign of a candidate in an election will be taken to be an act performed by the candidate.

Unlike my comments on the previous clauses, I will be mercifully brief. These amendments essentially allow for a regime of disclosure of election donations and campaign returns. This reform has been mooted previously by the City of Adelaide and, in many respects, mirrors its preferred course. It also includes a campaign expenditure return and rules as to gifts being received and disclosure of those gifts. This is an important reform to allow for transparency in the whole process of political donations in the context of an election campaign. It is an important reform that I urge all members to support.

The Hon. T.G. ROBERTS: I indicate the Opposition's support.

The Hon. IAN GILFILLAN: I indicate the Democrat's support for the amendments.

The Hon. R.I. LUCAS: The Government opposes these provisions but acknowledges the numbers in Committee. This will obviously be a matter for further discussion at the conference.

Amendments carried; schedule as amended passed.

New schedule 2.

The Hon. T.G. ROBERTS: I move:

New schedule, after page 28—Insert:

SCHEDULE 2

Register of Interests—Form of returns

Interpretation

1. (1) In this schedule, unless the contrary intention appears—

'beneficial interest' in property includes a right to re-acquire the property;

'family', in relation to a council member, means—

(a) a spouse of the member; and

(b) a child of the member who is under the age of 18 years and normally resides with the member:

'family company' of a council member means a proprietary company—

(a) in which the member or a member of the member's family is a shareholder; and

(b) in respect of which the member or a member of the member's family, or any such persons together, are in a position to cast, or control the casting of, more than one-half of the maximum number of votes that might be cast at a general meeting of the company;

'family trust' of a council member means a trust (other than a testamentary trust)—

(a) of which the member or a member of the member's family is a beneficiary; and

(b) which is established or administered wholly or substantially in the interests of the member or a member of the member's family, or any such persons together;

'financial benefit', in relation to a person, means—

(a) any remuneration, fee or other pecuniary sum exceeding $1 000 received by the person in respect of a contract of service entered into, or paid office held by, the person; and

(b) the total of all remuneration, fees or other pecuniary sums received by the person in respect of a trade, profession, business or vocation engaged in by the person where that total exceeds $1 000,

but does not include an annual allowance, fees, expenses or other financial benefit payable to the person under this Act or the Local Government Act 1934;

'gift' means a transaction in which a benefit of pecuniary value is conferred without consideration or for less than adequate consideration, but does not include an ordinary commercial transaction or a transaction in the ordinary course of business;

'income source', in relation to a person, means—

(a) any person or body of persons with whom the person entered into a contract of service or held any paid office; and

(b) any trade, vocation, business or profession engaged in by the person;

'a person related to a member' means—

(a) a member of the member's family;

(b) a family company of the member;

(c) a trustee of a family trust of the member;

'return period', in relation to an ordinary return of a council member, means—

(a) in the case of a member whose last return was a primary return—the period between the date of the primary return and 30 June next following; and

(b) in the case of any other member—the period of 12 months expiring on 30 June on or within 60 days after which the ordinary return is required to be submitted;

'spouse' includes putative spouse (whether or not a declaration of the relationship has been made under the Family Relationships Act 1975);

'trade or professional organisation' means a body, corporate or unincorporated, of—

(a) employers or employees; or

(b) persons engaged in a profession, trade or other occupation,

being a body of which the object, or one of the objects, is the furtherance of its own professional, industrial or economic interests or those of any of its members.

(2) For the purposes of this schedule, a person who is an object of a discretionary trust is to be taken to be a beneficiary of that trust.

(3) For the purposes of this schedule, a person is an investor in a body if—

(a) the person has deposited money with, or lent money to, the body that has not been repaid and the amount not repaid equals or exceeds $10 000; or

(b) the person holds, or has a beneficial interest in, shares in, or debentures of, the body or a policy of life insurance issued by the body.

(4) For the purposes of this schedule, in relation to a return by a council member—

(a) two or more separate contributions made by the same person for or towards the cost of travel undertaken by the member or a member of the member's family during the return period are to be treated as one contribution for or towards the cost of travel undertaken by the member;

(b) two or more separate gifts received by the member or a person related to the member from the same person during the return period are to be treated as one gift received by the member;

(c) two or more separate transactions to which the member or a person related to the member is a party with the same person during the return period under which the member or a person related to the member has had the use of property of the other person (whether or not being the same property) during the return period are to be treated as one transaction under which the member has had the use of property of the other person during the return period.

Contents of return

2. (1) For the purposes of this Act, a primary return must be in the prescribed form and contain the following information:

(a) a statement of any income source that the council member required to submit the return or a person related to the member has or expects to have in the period of 12 months after the date of the primary return; and

(b) the name of any company, or other body, corporate or unincorporated, in which the council member or a member of his or her family holds any office whether as director or otherwise; and

(c) the information required by subclause (3).

(2) For the purposes of this Act, an ordinary return must be in the prescribed form and contain the following information.

(a) if the council member required to submit the return or a person related to the member received, or was entitled to receive, a financial benefit during any part of the return period—the income source of the financial benefit: and

(b) if the council member or a member of his or her family held an office whether as director or otherwise in any company or other body, corporate or unincorporated during the return period—the name of the company or other body; and

(c) the source of any contribution made in cash or in kind of or above the amount or value of $750 (other than any contribution by the Council, by the State, by an employer or by a person related by blood or marriage) for or towards the cost of any travel beyond the limits of South Australia undertaken by the council member or a member of his or her family during the return period, and for the purposes of this paragraph 'cost of

travel' includes accommodation costs and other costs and expenses associated with the travel; and

(d) particulars (including the name of the donor) of any gift of or above the amount or value of $750 received by the council member or a person related to the member during the return period from a person other than a person related by blood or marriage to the member or to a member of the member's family; and

(e) if the council member or a person related to the member has been a party to a transaction under which the member or person related to the member has had the use of property of the other person during the return period and—

(i) the use of the property was not acquired for adequate consideration or through an ordinary commercial transaction or in the ordinary course of business; and

(ii) the market price for acquiring a right to such use of the property would be $750 or more; and

(iii) the person granting the use of the property was not related by blood or marriage to the member or to a member of the member's family—

the name and address of that person; and

(f) the information required by subclause (3).

(3) For the purposes of this Act, a return (whether primary or ordinary) must contain the following information:

(a) the name or description of any company, partnership, association or other body in which the council member required to submit the return or a person related to the member is an investor; and

(b) the name of any political party, any body or association formed for political purposes or any trade or professional organisation of which the council member is a member; and

(c) a concise description of any trust (other than a testamentary trust) of which the council member or a person related to the member is a beneficiary or trustee (including the name and address of each trustee); and

(d) the address or description of any land in which the council member or a person related to the member has any beneficial interest other than by way of security for any debt; and

(e) any fund in which the council member or a person related to the member has an actual or prospective interest to which contributions are made by a person other than the member or a person related to the member; and

(f) if the council member or a person related to the member is indebted to another person (not being related by blood or marriage to the member or to a member of the member's family) in an amount of or exceeding $7 500—the name and address of that other person; and

(g) if the council member or a person related to the member is owed money by a natural person (not being related to the member or a member of the member's family by blood or marriage) in an amount of or exceeding $10 000—the name and address of that person; and

(h) any other substantial interest whether of a pecuniary nature or not of the council member or of a person related to the member of which the member is aware and which he or she considers might appear to raise a material conflict between his or her private interest and the public duty that he or she has or may subsequently have as a member.

(4) A council member is required by this clause only to disclose information that is known to the member or ascertainable by the member by the exercise of reasonable diligence

(5) Nothing in this clause requires a council member to disclose information relating to a person as trustee of a trust unless the information relates to the person in the person's capacity as trustee of a trust by reason of which the person is related to the member.

(6) A council member may include in a return such additional information as the member thinks fit.

(7) Nothing in this clause will be taken to prevent a council member from disclosing information required by this clause in such a way that no distinction is made between information relating to the member personally and information relating to a person related to the member.

(8) Nothing in this clause requires disclosure of the actual amount or extent of a financial benefit, gift, contribution or interest.

New schedule inserted.

Title passed.

Bill read a third time and passed.

TOBACCO PRODUCTS REGULATION (DISSOLUTION OF SPORTS, PROMOTION, CULTURAL AND HEALTH ADVANCEMENT TRUST) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 19 August. Page 1490.)

The Hon. M.J. ELLIOTT: When the Sports Promotion, Cultural and Health Advancement Trust was first established, I was one of its strongest advocates. When we were moving for legislation to ban tobacco advertising—at the same time as I introduced a private member's Bill in this place the Hon. Martyn Evans moved a similar Bill in the other place—we recognised that the strongest opposition to a ban on tobacco advertising would come from sporting and cultural bodies which had become dependent upon sponsorship from tobacco companies.

The tobacco companies were very clever because they had those bodies hooked on that money. Just as some people are hooked on tobacco as a drug, sporting and cultural bodies are always struggling for dollars, and they were hooked on that tobacco sponsorship money. It was quite plain that if we were to succeed in banning tobacco advertising we would have to break that nexus.

It was recognition of that fact in discussions by a number of people that led to the ultimate formation of this trust through legislation. The trust was formed for a number of reasons. First, it was formed to replace tobacco sponsorship and, therefore, to remove what would have otherwise been a powerful lobby against bans on tobacco advertising, but at the same time it was recognised that we could take the opportunity to promote healthy life options and send health messages. The intention was that this body would achieve all those things.

I recall the very vigorous opposition to the formation of that body by members of the Liberal Party, in particular. I also recall on a number of occasions seeing tobacco company lobbyists over meals with a number of members of the Liberal Party. In fact, I saw them continue to have meetings after the legislation had gone through, as well. I would hate to think that, even this far down the track, they still wield some level of influence. As I said, I hope that is no longer the case.

The final excuse for killing off Living Health was the loss of the State's ability to raise revenue on tobacco because Living Health's source of funds was part of the levy on tobacco products. That levy has effectively been replaced by a Federal tax, so the money is still coming to the State, but it provided the final excuse for the Government to do what it had been keen to do for a long time, and that was to get rid of Living Health.

Despite the fact that I was a keen advocate of Living Health from the beginning, it is true to say that I expressed

doubts in the early years about the quality of the message that Living Health was putting out and, in fact, I publicly made comments that it was busier promoting itself than it was promoting the messages. It is my view that the criticism that came from a number of people was heeded, and it is my view that, over recent years, Living Health was delivering health messages, which was one of the requirements of its charter.

Whilst Living Health was failing in its delivery of health messages early in its life, it always succeeded in doing what it was first expected to do, and that was to replace tobacco sponsorship. That was self-evident. Its sponsorship net went far and wide, and it went to many groups, particularly small sporting groups and junior sporting groups that did not get sponsorship previously. I would have to say that, if there was a problem for Living Health, in terms of the sort of role it was carrying out, it was simply that it did not have enough money to carry out those roles.

So often in our society we seem to attack evil or other things from the wrong end. This body was about promoting healthy life options, about encouraging people to be involved in sport or the arts, and in conjunction with that it was ensuring that health messages were being displayed. Sometimes they were just sitting there as quiet messages, but they were there. That is the sort of thing that we should continue to do. Whilst the Government has told us not to worry, that it will continue this and it is now coming into the mainstream of budget, experience so often says to us that when it becomes an ordinary budget line as distinct from something which was previously hypothecated, it will be subject to the same pressures as all other budget lines. Some people could say that that is the budget, but I would have to say that the work that Living Health was doing was extremely important but it could never do nearly enough because there simply was not the money.

I would feel a great deal more comfort if I could see that there was a distinct body carrying out the same role, even if it is perhaps brought back into the mainstream. Whilst it has perhaps become a mainstream budget item, I would like to see an increase in the money going into it. While it was a separate body with hypothecated moneys, I had a very good idea from year to year what the income stream was going to be, and I knew that that job was going to continue. There is nowhere near enough money. It is the sort of thing that Governments should be doing a lot more of, but that is not the case.

If we are serious about our young people, we should be putting more gymnasiums and more sporting options around South Australia. I know with my own children that there is a real battle for there to be sufficient facilities for them to use, not just in sport but also in cultural matters. Whilst I know that we are in stringent budgetary times, a dollar well spent now saves many more dollars later on. It is a pity that we do not spend as much time examining matters such as we do with ETSA. At the end of the day I know that the dollars are not the same, but I rather suspect that the potential outcome of a very small number of dollars spent in a Living Health type operation will have a far greater long-term impact on the sort of society we have.

As people say, we do not live in an economy, we live in a society. That is not to say that economic matters are not important, but I believe we lose sight of that all too often. Unfortunately, I see elements of that in what is happening here, and I believe that is unfortunate. Time will judge whether Government commitment is there or not, but history tells us that once it has become part of the budgetary process there will be a 10 per cent across the board cut or something like that at some future time in an area which is already way below what any reasonable budget would have put into it. Also, while some people were unhappy with the bureaucracy of Living Health, it has now disappeared into the overall larger Government bureaucracy with the inertia that one sometimes gets against good ideas, with too many people just filling positions and taking a self seeking approach.

It is not my intention to make a lengthy contribution—in fact I was still working on my notes before I was told that this matter was coming on. I express very strong regret at the loss of Living Health. I do not believe that enough reasons have been put forward to explain its demise. I would have put more money into it and, in fact, if similar activities were going on inside Government perhaps they should have been relocated to Living Health to achieve efficiency. If we wanted more accountability with Living Health, we could have been having debates about that. I believe that this important matter is going through Parliament far too quickly. Along with the other Democrats I am sad to see the end of Living Health.

The Hon. R.I. LUCAS (Treasurer): I thank honourable members for their contribution to the Bill. I do not intend to go through all the debate on Living Health. This really is a legislative tidy up, I suppose, of a decision that was enacted and announced back at the time of the budget.

The only point I make in response to the comments made by the Hon. Mr Elliott is that we all agree that we would like to see more being done in terms of sport and recreation and healthy initiatives for our young people, and that is something which is supported by the Government and the appropriate Ministers. I must admit, too, that I was frustrated when I saw the signs 'Foundation SA', when it traded under that name, and I am still frustrated when I see 'Living Health' being used everywhere as the trading name and money being spent on advertising the name Living Health. We ought to be spending our money on the actual health message, for example, 'Quit smoking', 'Don't eat fatty foods' or whatever the particular health message of the year—

The Hon. Diana Laidlaw: Have fun.

The Hon. R.I. LUCAS: 'Have fun', 'Exercise' or something like that, whatever the health message, rather than the notion of continuing to advertise the organisation. While I concede that it is not as bad as it was in terms of advertising the name Foundation SA—and for the life of me I could never understand why we had big signs up saying 'Foundation SA' and we were paying sponsorship to advertise Foundation SA—I still do not have any idea why we advertise and pay sponsorship to have the name Living Health. It ought to be the health message.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: That is the point. We ought to be driving the health message, and the signs around the football, on umbrellas, on nick-nacks and on raincoats, or whatever is handed out, ought to contain a health message, for example, 'Quit smoking' or 'Exercise more' or 'Don't eat fatty foods' or 'Eat less chocolate', or whatever happens to be the health message. The health message ought to be advertised rather than the name of the organisation itself.

Let me assure the honourable member that the Government and its Ministers are committed to endeavouring to get better value for the $13.4 million that we are offering to promote healthy lifestyles. There is an absolute commitment that this money, through the Minister for the Arts, the Minister for Recreation and Sport and, certainly, the Minister

for Health be spent under the same broad contractual requirements implemented by Living Health. In terms of expenditure of the money, there will be health commitments in the contract that has to be signed.

Through the Department of Human Services, there will continue to be a pro-active stance being taken in terms of advertising healthy messages. Again, I hope it is not the advertising of a section of the Health Commission or the Department of Human Services, but rather a healthy message we will see at the football, racing or whatever it is that the department and agencies continue to sponsor.

The Hon. Mr Holloway raised the administrative costs issue. I am happy to indicate that this year, clearly, will be a transitional year. We have transferred all staff into the various departments. Some of them are continuing the role of Living Health within the department; some will continue and be absorbed in other areas of the department undertaking other roles, so where there are vacancies they will be transferred. That was a decision the Government took to try to protect the employees. I think probably next financial year will be the best and fairest assessment of the administrative costs of the grants of the Minister for the Arts, the grants of the Minister for Recreation and Sport, and the grants of the Department of Human Services.

I am sure the Parliament will remind us, if we forget, that we ought to be monitoring the level of administration cost. It is clearly the commitment of the Government to try to reduce the level of administration cost so that we can do more of the things the Hon. Mr Elliott, the Hon. Mr Holloway and the Government would want to see done, that is, spent on actual programs, service delivery or facilities, whatever it might be, rather than being expended on the administrative component of the program. If one listens to the eloquent contributions at various times of the Minister for the Arts and the Minister for Recreation and Sport, similar grant programs were being delivered through their departments and, in the estimation of both Ministers, we can deliver these programs committed with a health focus as will be required under the arrangements we have already announced to be worked out with the Minister for Human Services. I am happy, on behalf of the Government, to indicate a willingness to be prompted and reminded how that program is implemented within the departments and to keep the Government's commitment to maintain that health focus but deliver more money to the clubs which are constantly clamouring for more money from the Government.

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

ADJOURNMENT

At 6.47 p.m. the Council adjourned until Tuesday 25 August at 2.15 p.m.