LEGISLATIVE COUNCIL

Tuesday 23 May 2000

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

ASSENT TO BILLS

His Excellency the Governor, by message, intimated his assent to the following bills:

Health Professionals (Special Events Exemption),

Mining (Royalty) Amendment,

Offshore Minerals,

South Australian Health Commission (Direction of Hospitals and Health Centres) Amendment,

Statutes Amendment (BHP Indentures).

BROOKMAN, Hon. D.

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

That the Legislative Council expresses its deep regret at the recent death of the Hon. David Norman Brookman, former minister of the crown and member of the House of Assembly, and places on record its appreciation of his distinguished public service, and that as a mark of respect to his memory the sitting of the Council be suspended until the ringing of the bells.

In moving the motion I say at the outset that I do not recall ever having met the Hon. David Brookman. Clearly in my early time in the Liberal Party—or the LCL as it then was—in 1973 he had just come to the conclusion of his parliamentary career. I understand that my colleague the Hon. Trevor Griffin knew David Brookman, and I think my colleague the Hon. Legh Davis might have known him; some of those colleagues may be able to speak with some greater authority about David Brookman the person and the member of parliament than perhaps I can.

In speaking on behalf of government members in the chamber, and on looking at the information available about David Brookman from our library and other sources, I guess we will not hold it against David Brookman that he was born in Melbourne, Victoria, and soon came with his family to South Australia. He was educated at St Peters College and then went onto further studies at Roseworthy Agricultural College. He served in the AIF in both the Middle East and Borneo during the Second World War. After the war, he was elected, first, to the House of Assembly for the seat of Alexandra in 1948. At that time he was a relatively youthful 31. I think that at that time there would have been few members of his age elected to the South Australian parliament. The press clippings note that at that stage he was the youngest member of the South Australian parliament elected in 1948.

He represented his electorate of Alexandra continuously for 25 years from 1948 through until 9 March 1973. In terms of ministerial representation, he served his party and his government with some distinction and over a long time in a number of different portfolio areas. He was the Minister for Agriculture and Forests for almost seven years from 1958 until 1965. He was, again, a minister for a variety of portfolios—lands, repatriation, irrigation, immigration and tourism—in the period of the Hall government from 1968 through to 1970. In total he had a career of almost 10 years as a minister of the Crown in two separate stints in the South Australian parliament.

Some of the early clippings of the 1960s make intriguing reading: they record Mr Brookman's statements made at each election as he sought the endorsement of constituents in his electorate of Alexandra. Each local member was entitled to short policy statements. I am sure my ministerial colleagues will be as intrigued as I am that, in general terms, the issues do not seem to have changed much from the old days, although I am sure that there have been huge improvements in terms of the facilities that are provided to country residents. In part, his 1962 policy statement was as follows:

Southern residents will soon get water from the Myponga project. It has already spread to some coastal towns. My policy is for full development of country water supplies and particularly the new project on Kangaroo Island. I work for country road improvement and also completion of South Road widening.

I am sure my colleague, the Minister for Transport, will be intrigued, in relation to the completion of the widening of South Road. He continues:

As Minister of Agriculture, I support the vigorous development program of the Playford government. My work encompasses the advisory services, including farm management.

Then further on—and this is of interest to me, as the minister in charge of electricity in South Australia—he states:

In representing Alexandra, I concentrate on assisting its people. There is great development. Most people on the mainland now have ETSA power. Quite recently it was mostly confined to townships. It may now include Kangaroo Island.

Obviously, it was the very early stages of the extension of the network. But those issues—albeit, in much more restricted areas, given the spread of the transmission and distribution network in South Australia—remain for country members, as farmers or new industries seek to connect themselves to the existing networks for the extension of electricity supply to either their companies or their community.

As with all members of parliament, if they were in the parliament for 25 years or so, there is always the odd controversial issue that attracts media attention. I remember being a relative new chum, just watching politics at the time. David Brookman had a prominent role that has been reported—whether or not accurately I am not in a position to judge. However, under one headline in the *Advertiser*, 'MP who 'ousted' Hall to quit', it was reported that David Brookman was a prominent participant in the vigorous debate that ensued in the late 1960s and early 1970s within both the Liberal and Country League organisation and the parliamentary party. The press clippings do not record too many other issues of controversy regarding David Brookman in that period, but I am sure that those who knew him personally may well be able to speak about issues of moment during the early part of David Brookman's career in the state parliament.

In concluding, on behalf of government members I acknowledge the Hon. David Brookman's service, first, to the South Australian community and, also importantly, as a minister of the Crown and a member of parliament over a long period. We pass on our condolences and best wishes to the family and friends of the Hon. David Brookman.

The Hon. CAROLYN PICKLES (Leader of the Opposition): On behalf of the opposition, I second the motion. Like the leader of the government, David Brookman was not known to me personally. The only thing that I can recall, as the minister has already mentioned, is his involvement in the Liberal Movement. I knew David Tonkin very well. My children went to school with his children at Rose Park Primary School and we served together on the Rose Park

Primary School council for many years. David often used to talk to me about issues to do with the Liberal Movement, which I found quite fascinating. He was aware of the fact that I was a member of the Labor Party at the time.

David Brookman, as the Treasurer has already indicated, was a minister in the Playford government, holding agriculture, forests, land, repatriation, irrigation, immigration and tourism. I find it quite curious that a state minister held the immigration portfolio, although I suppose in those days that was a different role from that which one thinks of today. I refer to an article by Rex Jory, which was among the press clippings provided to me by the Parliamentary Library. It states:

> Australia's migration policy was as wise and humane as that existing in any country, the LCL member for Alexandra, Mr David Brookman, said today. Mr Brookman has just returned from a six-week visit to Britain and Europe.

Clearly, the media in those days was far more sympathetic to long parliamentary visits than they are these days. It is interesting that it was written by Rex Jory who, I understand, has no objection to members of parliament seeking information from overseas.

As I have indicated, no-one on this side of the Chamber was in the parliament at the time of David Brookman; I think that even the Hon. Anne Levy, who left the parliament recently, came in later. Mr Brookman certainly had a distinguished career. He entered parliament in 1948, having served in the armed services. As the Hon. Mr Lucas indicated, he was a long-serving member of 24 years standing. It is a bit like a life sentence, although I think that his record has been exceeded in recent years by the Hon. Graham Gunn, and the Hon. Terry Roberts is heading that way.

It is very interesting that, in those days, 24 years was considered par for the course. I do not think that I can contribute anything further. I record my recognition of the service of someone who was part of the Playford government, a government that many people in the Labor Party have admired and recognised as contributing an enormous amount to the state of South Australia. My sympathies go to his family.

The Hon. K.T. GRIFFIN (Attorney-General): I did know the late Hon. David Brookman, but not when I was a member of parliament. He was a minister at the time that I became very much involved in the Liberal Party. In 1972-1973, when he was at the end of his parliamentary career, I was beginning mine, in the sense that I was a vice-president of the Liberal Party and in 1973 became President. At that time, he was one of the senior figures in the Liberal Party.

All those who had been ministers in the Playford government were held in some awe by younger members of the Liberal Party, as I think they probably were in the wider community. He made a quite significant contribution as a minister and as a member of the Liberal Party. I recollect that at times he appeared to be a man of few words but at other times he was quite vociferous in his presentation. However, he always made his presentations very much to the point. As has been indicated, he served with Premier Sir Thomas Playford as well as Premier Steele Hall for that brief period from 1968 to 1970.

Reflecting on some of those who were members of parliament at the time, I recall Don Dunstan, Don Banfield, David McKee and Frank Walsh and, on the Liberal and Country League side, Jessie Cooper, Joyce Steele, Ren DeGaris, who is probably the only surviving member of the Playford Liberal and Country League government, Ross Story, Colin Row, who was Attorney-General for the latter part of Sir Thomas Playford's premiership, Sir Arthur Rymill, who was a member of this house, Stan Evans, who was a relatively younger member at that time, and Bill McAnaney, who was the member for one of the electorates close to that held by David Brookman.

He remained active for most of his life. I saw him last year when I think he was visiting the parliament building yet again and he was as alert as ever. I acknowledge his service to the parliament, to the broader community and to the then Liberal and Country League, and I extend my condolences to his family, including his brother Mr Anthony Brookman, who is as hale and hearty as David Brookman was last year. He played a significant part in the life of the community and he will be missed.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will add some remarks from a personal, not necessarily a political, perspective. Through family contacts, I knew David Brookman for many years and, when I first indicated that I was interested in standing for the Liberal Party in the Legislative Council, he offered some quality advice. I note that he was elected in 1948, before I was born, but he never ceased to be able to provide sound advice to me throughout his life.

In more recent years, his advice was always in relation to the Far North roads, the Birdsville Track in particular. He and his family have property in the area and I know that he was particularly pleased about the increased investment, the improved quality of road surfaces and the attention to detail in terms of the environment that was part of the road projects. Recently we laughed about the fact that the road works have made the Birdsville Track so good now that he and his neighbours often think of going for a Sunday drive on the Birdsville Track, no longer is it as rugged or quite the adventure it was when David Brookman first ventured to the Far North.

I know also that, as member for Alexandra and throughout his life, he took an intense interest in the Coorong. He was one of the few individuals who had a key to all the barrages and could drive across Hindmarsh Island and across the network of barrages to the mainland, because he was a trusted and respected friend of the area and also a property owner.

I know his daughter Kate Brookman, now Hartley, particularly well, and their children are in turn friends of my nieces. It is good to see that family friendships continue to this day. Finally, in terms of service, I would like to acknowledge not only his service to the parliament but also his family service over decades and decades.

Just last year, with Mr Tony Brookman, I participated in the Hundred Years of the Egyptian Obelisk at the South Australian Museum, before it was cleaned and relocated from an outside site into the new foyer of the museum. On that occasion, Mr Tony Brookman gave a history of his family's contribution to the state which had occurred through agriculture, the naming of the Brookman building, and by being a generous benefactor of the arts and patron generally. If I had known this opportunity was to be given today, I would have gained a copy of the notes read on that occasion, because we should honour that family and celebrate the fact that Mr David Brookman was able to continue the family's service to this state. I wish his wife and family, Kate and his grandchildren, the best at this sad time.

The Hon. L.H. DAVIS: Like my colleagues, the Hon. Trevor Griffin and the Hon. Diana Laidlaw, I knew Mr David Brookman reasonably well from 1966 through to the time he retired from politics in 1973. He was a civilised and gentle person who was highly regarded and very competent. Along with the Hon. Ross Story, he was, as I remember, one of only two members of the Liberal party who were ministers in both the Playford and Hall governments. The Hon. David Brookman had a wide range of interests, including agriculture. Along with Ross Storey, he provided formidable advice to both the Playford and Hall governments on matters agricultural, but as one notes from his ministerial portfolios he could take on any task and tackle it with distinction.

I have one particularly fond memory of Mr David Brookman. At the time that I was the federal Young Liberal President, a President of the Young Democrats from the United States of America was visiting Australia as a guest, and we had a luncheon at Mr and Mrs David Brookman's house at Meadows. His house guest at the time was none other than the very distinguished English comedienne Joyce Grenfell. It was a particularly memorable occasion, perhaps made more memorable about a year or two down the track by the fact that Spencer Oliver, who was the United States' Young Liberal Democrat—a very personable young man—made headlines in the wrong way when it was revealed in *Time* magazine that Spencer Oliver's phone had been tapped during the Watergate affair.

David Brookman not only gave great service in a very distinguished fashion to the parliament of South Australia but he also was very much a community person and very deeply involved in the Liberal Party organisation. I would like to join with my colleagues in paying tribute to his service to the Liberal Party, to the government and to the people of South Australia, and to offer my sincere sympathies to his family.

The Hon. R.D. LAWSON (Minister for Disability Services): I knew the Hon. David Brookman from my early days at the Liberal Club at the university when he was then venerated as a former member of the Playford ministry and, as the Hon. Legh Davis has mentioned, as one of the two ministers from that government to serve in the Hall government ministry. I saw the Hon. David Brookman late last year at Townsend House when he was attending a reception for that fine old South Australian organisation for people with disabilities. David Brookman still showed great interest in the affairs of South Australia. He had a deep love of the state. He continued, as the Hon. Diana Laidlaw has said, a fine family tradition of service to the state. I was a contemporary of his son, Henry, and I also extend to his family my condolences in supporting the motion.

Motion carried by members standing in their places in silence.

[Sitting suspended from 2.45 to 2.52 p.m.]

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Teachers' Registration Board—Report, 1999

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

Regulations under the following Acts—
- Associations Incorporation Act 1985—Corporation Law Modification
- Bail Act 1985—2000 Forms and Statements
- Workers Rehabilitation and Compensation Act 1986—
  - Claims and Registration
  - Remission of Levy

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

Regulations under the following Acts—
- Liquor Licensing Act 1997—Dry Areas—Gawler
- Trade Standards Act 1979—Commonwealth

By the Minister for Transport and Urban Planning (Hon. Diana Laidlaw)—

Reports, 1998-99—
- Aboriginal Lands Trust
- Enfield General Cemetery Trust
- Outback Areas Community Development Trust

Passenger Transport Board—Service Contracts Report

Regulations under the following Acts—
- Chiropodists Act 1950—Fees Variation
- Development Act 1993—Exclusions
- Local Government Act 1999—Procedures at Meetings
- Occupational Therapists Act 1974—Schedule 3—Fees Variation
- Psychological Practices Act 1973—Schedule 2—Fees Variation.

MANUFACTURING SECTOR

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a copy of the ministerial statement on the manufacturing industry made in another place today by the Premier.

Leave granted.

PERFORMING ARTS

The Hon. DIANA LAIDLAW (Minister for the Arts): I seek leave to make a ministerial statement on the major performing arts inquiry.

Leave granted.

The Hon. DIANA LAIDLAW: As part of the federal budget delivered a fortnight ago, on 9 May, the federal government outlined its response to the Nugent inquiry established the previous year to determine the best means to underpin the financial and creative viability of Australian performing arts companies. Across Australia 31 companies were the subject of the inquiry, including four in South Australia: the Adelaide Symphony Orchestra; the Australian Dance Theatre; the State Opera of South Australia; and the State Theatre Company of South Australia.

I am pleased to report that by every standard the outcome of the inquiry has been a success for South Australia. Over the next four years the commonwealth government will inject a further $45 million to the major performing arts sector across Australia, of which South Australia will receive $5.5 million. To gain these funds the South Australian government has undertaken to invest an additional $1.2 million over the same period. For South Australia, the ratio of new commonwealth to state funding is the highest of any of the states. Also, South Australia's share of the commonwealth government's overall funding package is 12.1 per cent—well above our head of population share at 8 per cent.

This excellent outcome reflects reward for effort and represents an enormous vote of confidence in the artistic skills and management of our major performing arts companies. It is also a reflection of the strength of the broader performing arts sector in South Australia. It is the whole sector that makes high standards of artistic achievement possible from large organisations such as the Adelaide Festival of Arts, the Fringe and the Adelaide Festival Centre

to smaller companies such as the Leigh Warren Dancers, Doppio Parallelo, Vitalstatistix and Patch. Overall, I am particularly pleased that at long last the commonwealth government funding package incorporates major commonwealth support for a national arts activity of excellence based in Adelaide.

Through State Opera, South Australia has now secured the production of a new Wagner *Ring* Cycle—the first ever to be designed and produced in Australia. Over 75 per cent of the government's subsidy for the production will be met by the commonwealth government. Today, I advise that three complete cycles of the *Ring* will be performed at the Festival Centre between 17 November and 11 December 2004.

The Hon. Sandra Kanck: I will be there.

The Hon. DIANA LAIDLAW: I will be there, too. The rehearsal and performance period will last seven months and will involve over 60 artists and production support personnel, all resident in Adelaide throughout this period, plus an expanded Adelaide Symphony Orchestra. The scenery and costume budget is set at $2 million. The production will be built in South Australia by the Adelaide Festival Centre's scenic workshop. The costumes will be made by the State Opera's wardrobe workshop.

The economic impact will be substantial. The 1998 production of the *Ring* had a net economic impact of $10 million and generated employment equal to 200 full-time equivalent jobs for one year. In 1998, almost 60 per cent of the audience came from outside South Australia. Based on the international acclaim that Adelaide gained for the 1998 *Ring* and Adelaide's overall credibility as a city that can present performing arts to the highest international standards, we can be confident that the number of visitors from outside South Australia will be higher still for the 2004 *Ring*. The attractiveness of a new *Ring* to visitors from outside the state is borne out by the fact that 96 per cent of people surveyed at the 1998 *Ring* indicated that they would highly recommend future productions in Adelaide.

While State Opera will be the major beneficiary of the additional commonwealth funds, the agreement reached with the commonwealth enables the state government to free up funds to support the work of the Adelaide Symphony Orchestra, the Australian Dance Theatre and the State Theatre. I am confident that the extra funding to be provided to each of these companies, both recurrent and the contribution to financial reserves, will be sufficient to underpin their operations for the foreseeable future.

In turn, it is expected that each company will generate more of their own income now that their financial base is being secured. It is also expected that the companies will expand their current regional touring and emerging artists programs. All four companies have toured South Australia in the past, and the memoranda to be negotiated with each by the commonwealth and state governments over the next few months will confirm and increase this obligation.

The memoranda will also require each of the four companies to maintain their leadership roles in developing their art forms and our artists within the state. Specifically, it is expected that their existing emerging artists and education programs will be developed still further.

These specific programs, combined with the overall strengthening of their financial position, are designed to ensure that the benefits of the federal and state governments' response to the Nugent Inquiry spread beyond our four major performing arts companies and embrace the whole performing arts industry in South Australia.

QUESTION TIME

EMERGENCY SERVICES LEVY

The Hon. CAROLYN PICKLES (Leader of the Opposition): My question, on the subject of emergency services tax changes, is directed to the Treasurer. Given the changes announced today to the Government's emergency services tax such that the tax will raise $60 million less than the $141.5 million originally proposed, and with the shortfall to be made up out of other areas of the budget, can the Treasurer tell the Council whether it will still cost the original $10 million per year to collect what is now a $76 million tax; precisely how will the shortfall be funded; what has been the cost of advertising and promoting the new tax so far; and what is the expected cost of advertising for this new emergency services tax mark III?

The Hon. R.I. LUCAS (Treasurer): I do not intend to reveal the nature and substance of the budget until Thursday, even if asked in question time on Tuesday. In relation to advertising expenditure, I would need to take advice from the appropriate ministers in relation to that. I think the Minister for Emergency Services has highlighted that a reasonable percentage of the advertising was funded by the insurance industry, so that percentage at least was not a cost to taxpayers.

In relation to some of the other questions the Hon. member has raised, I will take further advice from ministers as to whether there is any intention of further explanation of the importance of the emergency services levy to the delivery of emergency services in South Australia. With any new levy change such as this it is important to try to highlight to the South Australian community the importance of the expenditure in this area, and the advertising thus far has substantially concentrated on those sorts of information benefits for the community.

I am interested to note that the Australian Labor Party has nominated a figure that it believes should have been collected by the emergency services levy. It is on the public record as being prepared to support between $60 million and $80 million. The Hon. Mr Gilfillan has indicated that he believes the government should have been collecting $82 million, so it would appear that the statement made by the Premier today will enjoy warm support from the Labor Party and the Australian Democrats, which both supported the legislation. We have reduced it below the level the Democrats wanted.

Obviously, the government took the view that we did not want to continue to collect the levy at the level the Australian Democrats have talked about, but we are certainly right on the mark in terms of what the Australian Labor Party suggested. Given that the legislation was supported by the Australian Labor Party and given that the Australian Labor Party in the past week has suggested that what the government should do is collect somewhere between $60 million and $80 million—

The Hon. Diana Laidlaw: Who said that?

The Hon. R.I. LUCAS: Pat Conlon said that with, I am told, the support and endorsement of Mike Rann and Kevin Foley.

The Hon. L.H. Davis: They call him 'Lord Lazy' in the Australian Labor Party.

The Hon. R.I. LUCAS: That is not the only thing he is called in the Australian Labor Party; some of them are less flattering. As I said, I am sure that the announcements by the

Premier today will be warmly endorsed by both the Labor Party and the Australian Democrats in terms of the quantum still to be collected. How the whole budget will encapsulate this important part, the emergency services levy, will be revealed on Thursday.

The final point I would make is that, as the Premier indicated with the first reduction last year, it is only because of the sale and lease of the Electricity Trust that the government has been able to provide further relief to the South Australian community from the emergency services levy. The net benefit that the budget will see from the sale and lease of ETSA at least in part will be used to reduce the extent of the emergency services levy, as part of the social dividend to the people of South Australia from the sale and lease of ETSA.

DISTINGUISHED VISITOR

The PRESIDENT: I notice in the gallery a distinguished visitor to our parliament, His Excellency Sim Dae-Pyung, Governor of ChungChongNam-Do Province of the Republic of Korea. I extend to His Excellency and to the members of his delegation a very warm welcome to the Legislative Council and to the parliament of South Australia. We look forward to meeting you later this evening.

STATE BUDGET

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

Leave granted.

The Hon. P. HOLLOWAY: The Treasurer this morning was reported on radio as confirming that the forthcoming budget will be in deficit to the tune of $100 million.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: It was on ABC radio this morning: you were reported as saying it.

Members interjecting:

The PRESIDENT: Order, this is question time.

The Hon. P. HOLLOWAY: This is attributed in part to the cost of implementing the GST across government. In addition, a news outlet reported on 7 May that state fees and charges would rise by 2.7 per cent in the budget to reflect increases in the CPI. The figure of 2.7 per cent is the CPI figure for the whole of Australia in the year to March 2000. However, in past state budgets, the CPI figure, used as a guide to assess whether fees and fines had risen at, above or below the rate of inflation, has been the ABS Adelaide CPI figure for the year to the previous December. That figure is currently 1.7 per cent, which is a full percentage point below the national figure cited in the media article.

Unsustainable claims have been made by the government about the proposed financial benefit of the sale of ETSA. Even after the ETSA legislation passed the second reading in this chamber, the Premier claimed that the sale would wipe out the entire $2 million a day of interest, which represents the interest paid on the entirety of the state debt.

The Hon. A.J. Redford: Who said that?

The Hon. P. HOLLOWAY: I will refer to that in a moment. On the ABC last evening, the Treasurer stated that the government had never claimed that the ETSA sale would remove the state's $2 million a day interest bill. Let me cite just one of the many examples. On 3 June 1998 on Channel 2, the Premier said:

> It will remove the $2 million a day interest that we are paying. . . We will be effectively debt free.

That is what the premier said. In view of that, my questions are:

1. Will the Treasurer now give a precise figure for the across-government costs of implementing the GST in 1999-2000 and 2000-01?

2. Will the Treasurer tell the Council what is the precise impact of the GST on the capital works budget to be announced and, in particular, by how much will the capital works budget have to increase to absorb the impact of the GST without cutting construction in real terms?

3. What will be the CPI figure used to determine increases in taxes, fees and fines?

4. Will the Treasurer now admit that the Premier claimed repeatedly that $2 million a day would be saved from the ETSA sale and has he counselled the Premier on his lack of understanding on this issue?

The Hon. R.I. LUCAS (Treasurer): I will start in reverse order. In relation to the net benefit to the budget, it should not surprise the Hon. Mr Holloway, who has been engaged in verbal disputation with me for some two years, that the Premier and I, on behalf of the government, have been saying for almost two years that the net benefit to the budget from the sale and/or lease of ETSA was in the ballpark of about $100 million a year. I refer the honourable member to last year's budget documents and I also refer him to 100 or 200 separate questions and answers, debates and speeches that we have engaged in, so it should be no surprise to the Hon. Mr Holloway that the government's position has been quite clear, quite explicit, that we believe the net benefit to the budget was $100 million, which is the difference between interest costs and the loss of dividends. In fact, papers have been produced by Quiggan and Spoehr and by other economists and commentators all trying to argue against—

The Hon. L.H. Davis: All Labor-leaning economists.

The Hon. R.I. LUCAS: Yes, but without—

The Hon. T.G. Cameron: I have never read such rubbishy economic papers.

The Hon. R.I. LUCAS: The Hon. Mr Cameron gives a pretty good assessment of it. They were all trying to disprove the government's position that the net benefit would be $100 million a year. The government claimed $100 million a year net benefit and everybody set about trying to disprove it. Yesterday the Labor Party and some members of the media put to me that back in February ministers were describing what they would do if they had an extra $2 million a day in their portfolio, such as build a school every two days, a hospital every week or whatever it was.

As I said to the media yesterday, they were hypothetical examples given by ministers as to how, if they had $2 million a day, which at that time was the interest cost on our debt, they would spend the money. Nobody in the world ever believed that it was a promise that the government would build a new school every two days or a new hospital every week. The government's position—and I will repeat it so that the honourable member can understand it—has been that there is a $100 million net benefit to the budget. That is the ballpark figure the government has been talking about.

In relation to one of the earlier questions, I remind the honourable member of past year's budget when the government outlined its policy, which has been in place for some two years, and stated the inflator that the government did and

will use. The honourable member has asked questions on this, so I am surprised that he is still referring to the CPI. The government uses a cost index, which is a compilation of the costs of goods and services through the CPI, and the wage cost index in terms of the salaries paid to public servants. Through that index the government comes up with a figure—and last year it was about 2½ per cent, which was a compilation of both the wage cost and the services cost in terms of goods and services—as a measure of the cost of delivering public services to the community.

When asked last year why the government used that index I said—and I will repeat it—that it is the cost of delivering the service that we are seeking to recoup from our fees and charges. For the past few years wages and salaries have increased at levels greater than the CPI. So, a policy decision, which has been changed for some two years, of using only the CPI would mean that the government, in terms of cost recovery for the delivery of its services, would be steadily going behind. I think this policy has been in place for at least a couple of years. Last year we had a long debate about it in this chamber. I am surprised that the honourable member has not remembered that debate. I can only refer him to the questions—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: We have a current policy which has been used for a couple of years and which measures both CPI and wages. It may be that if CPI is higher than wages it will act as a reducing effect in terms of the question that the honourable member raises: however, if wages are higher than CPI, it will mean that the cost inflator index is higher than CPI but less than wages. If next year the honourable member's question concerns CPI being higher than wages, then the use of this index would reduce it from CPI. So, in some years it will be higher and in other years it may be lower.

I am indebted to the honourable member for his interjection. I think the honourable member has clarified perfectly the issue that, through the use of this index, it may be lower in future years than if we had used the traditional Labor Party CPI index. So, it is a fair indication that this is a reasonable method of trying to estimate what the cost of service delivery might be. That answers questions two and three. What was the first question?

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The estimate of the GST will be included in the budget papers on Thursday. My recollection, in terms of implementation costs over and above the costs already incurred by agencies, that is, by way of additional supplementation, is that the figure is of the order of $30 million or $40 million—much less than the figure the honourable member was asking about earlier, the $100 million implementation cost: the figure has come in at around $30 million to 40 million. The issue of ongoing compliance costs, which he did not ask about, is an issue that we will have to continue to monitor as various departments and agencies look at settling in the GST.

In relation to the claim in his explanation that I had said to the ABC or someone else that the budget on Thursday would have a deficit of $100 million, that is not correct. What I did say was that we had brought down a balanced budget last year and that we had started off with a deficit of $100 million because we had decided not to proceed with the Rann power bill increase when the Hon. Mr Cameron and the Hon. Mr Crothers indicated that the sale or lease legislation would pass through the parliament. So, we started off the year with a $100 million deficit. We have worked assiduously to try to reduce that number. We will report the final number in the budget on Thursday.

MANUFACTURING INFRASTRUCTURE SUPPORT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer a question about South Australian manufacturing infrastructure support.

Leave granted.

The Hon. T.G. ROBERTS: There seems to be some confusion, in the *Advertiser* at least, as to South Australia's business direction, particularly in relation to the manufacturing sector. In the *Advertiser* of Wednesday 17 May there was an article by political reporter David Eccles, who I think wrote a very balanced article in relation to the problem that South Australia finds itself in, as opposed to the subeditor's heading. If you read the whole of the article, it does explain correctly as follows:

> South Australian employers are the most optimistic they have been for five years, according to a national jobs survey. More than a quarter expect to hire staff within the next three months.
>
> Information Technology employment is tipped to rise sharply, with claims that SA is on track to become the nation's 'Silicon Valley'.

The Hon. L.H. Davis interjecting:

The Hon. T.G. ROBERTS: I will read on, Mr President. It continues:

> The results are included in a national job index survey for May to July by recruitment firm Morgan and Banks. The survey of more than 3 000 employers nationwide showed 37.5 per cent of SA businesses intended to hire soon.
>
> This was the highest level recorded since April 1995. With 10 per cent of firms intending to cut jobs, the net effect was 27 per cent of employers wanting to hire—6.4 per cent higher than recorded last financial quarter.

But the SA Employers Chamber then indicates a note of concern, which the reporter has picked up, and the chief executive officer explained:

> If the optimistic employment intentions reported in the Morgan and Banks survey translate into tangible employment growth we would all have reason to celebrate. These findings are considerably more optimistic than the views expressed in the Chamber's own survey of employers. . . which shows reasonably flat employer intentions.

As I said, that is a balanced view on two important surveys done, one a nationwide survey and one done at a state level. That article was on page 2 of the *Advertiser*. On page 7, tucked away, and I think here he was fighting for a bit of print space, and heavier headlines—

An honourable member: Who was?

The Hon. T.G. ROBERTS: Huw Morgan. His article was tucked away on page 7, and David's article appeared on page 2. The article on page 7 is subheaded 'Employers' confidence slips'. This is two days after the original article appeared on page 2, which was subbed 'SA employers ready to hire'. On page 7, the article from Huw Morgan says:

> Business confidence in the state economy has slumped, according to a South Australian Employers Chamber survey.

This is even though it was mentioned by David Eccles in the previous article I have quoted from. It continues:

> It found there had been a significant drop in the expectations of businesses in the first quarter of this year.

It goes on to say:

> Expectations for an improvement in the economy nationally were also bleak—

The PRESIDENT: Order! Is the honourable member close to asking his question?

The Hon. T.G. ROBERTS: Yes, I am. Mr President, the questions I have are:

1. In relation to the contradictions in the surveys and the fact that Scandinavian countries deal a lot differently with restructuring than what Australia and South Australia do, what credence is given to the Morgan and Banks poll of South Australian businesses in the national jobs survey, as opposed to the South Australian Employers Chamber survey?

2. What measures other than budget sweeteners of $15 million over three years is the government taking to ensure the survival of heavy engineering in this state, to ensure the survival of skills and as an incubator for a number of other important growth sectors, such as rail transport, submarine shipbuilding and the mining industry?

3. What infrastructure support will the government provide in relation to skills development, which is sadly lacking, in relation to the retraining of employees who in some cases are still sitting behind closed doors accepting wages while waiting for further employment in some sections of our economy?

The Hon. R.I. LUCAS (Treasurer): I join with my colleagues in commiserating with the Hon. Mr Roberts on both the loss of his voice and the loss of his position on the ticket. We certainly would have supported his being much higher on the ticket. The cynics have suggested that, having lost two marginal seats, the only way they could guarantee her a seat in any Parliament was to put her at No.1.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The honourable member raises a most important issue. In relation to the first point as to how much credence one places on surveys, clearly they are important in providing additional information. It is impossible to say that you place any greater weight on a Morgan and Banks survey, an Employers Chamber survey or an Engineering Employers' Association survey: they are all indicators and ultimately one has to make judgments as to their accuracy or not. The proof of the pudding in many of these things is in the eating. It is sometimes interesting, in retrospect, to look at the accuracy of particular predictions and surveys. Ultimately you cannot just be guided by surveys. Ultimately one receives advice through government departments and agencies and officially through the various organisations that represent employers and employees.

In relation to the challenges that confront a number of our manufacturing industries in particular, I am sure all members, as I indicated this morning, would be sympathetic to the insecurity that many workers and their families feel in a number of the companies, including those to which the honourable member has referred—the Submarine Corporation, Mitsubishi and Perry Engineering—which face challenges; and the workers and their families clearly are confronting insecure futures, and none of us would like to be in that position.

What is it that state governments can do? State governments certainly are important, but the honourable member, with his renowned passion for speaking about globalisation and the impact of international economics on the economy of both the nation and the state, would be the first to acknowledge that massive structural changes are going on nationally and internationally in relation to some of these industries. The automotive industry has had a lot of publicity. Major restructuring and global shifts in terms of mergers and acquisitions will be felt all over the world, and particularly here in South Australia. Similarly, restructuring is going on all over the world in other industries, such as the defence industry, and decisions taken by the national government and international governments will again impact on workers and employees in some of our companies. It is here that I pay some tribute to the Hon. Mr Crothers.

Members interjecting:

The Hon. T. Crothers: Knowing the Labor Party, I may have got a high number of informal votes.

The Hon. R.I. LUCAS: Certainly, had we had a say it would have be a tough call for us with the Hon. Mr Crothers and the Hon. Terry Roberts there, but the Hon. Mr Crothers would have come out ahead. The credit to the Hon. Mr Crothers is that, last year when we debated the electricity bill, he was one of the first members to recognise the impact of these global changes on South Australian industry. Not only that, in recognising it he also suggested a possible mechanism to do something about it. He talked about an industry restructure commitment from government. There is no black and white easy solution to what you do in the component industry or the defence industry, but he recognised that governments have to be more than sympathetic in that they need to look at these changes to try to do what they can within their limited resources to assist the workers and those companies to retrain or realign themselves to continue to survive in the new millennium.

Sadly, a number of members, including the Hon. Mr Roberts and others, railed against that suggestion from the Hon. Mr Crothers that a small portion of the proceeds that came from the sale and lease of the electricity assets be put aside to be used to help workers and industries under threat. So, whilst it has been easy in the past few days for Mike Rann and others to cheer chase with the workers who have been protesting today, we will be highlighting to them that a suggestion made by the Hon. Mr Crothers was opposed by Mr Rann and Mr Foley and, sadly, the Hon. Terry Roberts and the Hon. Paul Holloway, who tried to impute base political motives into the suggestion from the Hon. Mr Crothers and supported by the government to look at these major changes and assist the workers and their families within these companies.

We hear whingeing and whining from Mike Rann, Kevin Foley and others in the Labor Party complaining about what the government should do, but I assure Mr Rann and Mr Foley that those workers and their families will be reminded that a proposal from the Hon. Mr Crothers to try to assist those workers and their families was knocked on the head for base political motives by the whingeing and whining Rann-Foley led opposition in South Australia.

The Hon. L.H. Davis: And Holloway thinks it's funny.

The Hon. P. Holloway: You can do it within the budget.

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Hon. Mr Holloway says, 'You can do it within the budget.' Within our limited means, when it comes to Thursday, we will seek to do what we can, but when we do that we will have to find the money from somewhere else within the government. It will mean money we cannot spend on education, hospitals or roads in regional areas. I assure the Hon. Mr Holloway—

The Hon. P. Holloway: So, it's a magic pudding!

The Hon. R.I. LUCAS: The Hon. Mr Holloway talks about magic puddings, but his leader—'magic pudding Mike'—opposes any expenditure reduction, opposes any revenue increase, opposes any privatisation that frees up any

money, supports 18 per cent wage claims from the Fire Fighters Union on the steps of Parliament House and says he will balance the budget and reduce state debt in one fell swoop. If the honourable member wants to talk about magic puddings—and I thank the Hon. Mr Holloway for walking right into that one—that is the sort of position supported by the whingeing and whining Mike Rann and Kevin Foley. The Government within the limited resources it has will seek to do what it can, but our hands significantly have been tied behind our back because of the Labor Party's politics on this issue in refusing to support the farsighted provision the Hon. Mr Crothers sought to put into our legislation last year to try to find a small portion of the debt repayment proceeds from the electricity assets to try to help workers and their families in some of these beleaguered industries.

The Hon. T.G. ROBERTS: By way of supplementary question, would it be possible for the state government to allocate the same fixed amount for industry development from the budget rather than a hypothecated amount, as indicated by the honourable and farsighted Mr Crothers?

The Hon. R.I. LUCAS: I think that the cold has not only dulled the honourable member's voice but also dulled his hearing. I answered that question when responding to the Hon. Mr Holloway's interjection. Of course the government, to a much lesser degree, can seek to do that but if it does so it cannot spend that money on education, hospitals, roads in regional areas, or police and security services. As I said, there is no magic pudding in relation to all this, except for the limited vision of the whingeing and whining Labor Opposition we have here in South Australia. If we are to spend money on industry restructure, we have to divert it or not spend it on other important areas of social infrastructure.

ELECTRICITY, PRIVATISATION

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Leader of the Government, the Treasurer, a question on the subject of electricity privatisation.

Leave granted.

The Hon. L.H. DAVIS: In recent months we have had the spectacle of the Hon. Paul Holloway and the Hon. Nick Xenophon continuing to rail against the leasing of electricity assets in South Australia, the Hon. Nick Xenophon, in particular, being most enthusiastic about overtures made by certain interests in New South Wales. I was most interested to note in the *Sydney Morning Herald* of 19 May a remarkable story about electricity, which of course is under the public domain in New South Wales, notwithstanding the very extraordinary efforts of Premier Bob Carr and Treasurer Mike Egan two or three years ago to privatise the electricity assets before having to back down to union pressure.

An article appeared in the *Sydney Morning Herald* by Mr David Humphries, state political editor of the *Sydney Morning Herald*, concerning one of the state's largest electricity companies, Integral Energy, which was formed in 1996 by the merger of Prospect and Illawarra Power. The article referred to a review of the company's billing system which was prepared in March this year and which was obtained by the *Sydney Morning Herald*. This company services western Sydney and the Illawarra, and the review found that 70 000 of Integral's 750 000 customers were overdue by five months; 120 000 reminder notices had not been issued; and 8 000 customers had been double billed and required refunds. Integral admitted that nearly one-tenth of its customers were not billed at the peak of this debacle. Installation of a new billing system and repairs to it will cost Integral more than $40 million. In fact, the article revealed that 50 major customers could not be rebilled because of invalid service history, 100 customers' accounts had been directly debited with incorrect amounts and 150 customers had had their electricity service mysteriously disconnected.

The review also found that GST compliance by 1 July was at high risk and that the foul-ups might encourage Integral's customers to look elsewhere when households and small businesses are allowed to shop around for power from January 2002. Data entry was backlogged and data was of poor integrity and quality with wrong amounts appearing on bills. That is just some of the detail—and that, of course, is hard on the heels of Treasurer Mike Egan managing a massive shift, a transfer of debt, from the New South Wales budget to the publicly owned electricity companies of some $2.4 billion. My questions are:

1. Has the Treasurer had an opportunity to see this article, and is he aware of the accuracy or otherwise of this information?

2. Is the Treasurer aware of the transfer of massive debt from the New South Wales budget to the electricity companies of New South Wales, which are still publicly owned and which are apparently struggling in profit terms?

The Hon. R.I. LUCAS (Treasurer): The only thing I would note in relation to Integral Energy is that the new CEO who has just been appointed is actually the former CEO of TransGrid. Many members in this Chamber will know TransGrid as the company that has been trying to inflict Riverlink on South Australia and the South Australian parliament. I will not make further comment other than that in relation to that particular point.

I am aware in broad detail of the problems that the government owned and run company in New South Wales has been enduring. For the sake of question time I will not go over all that detail again. I want to note two points. First, it nails exactly the reasons why the taxpayers of South Australia—of any state—are the ones who suffer in the end. Whatever the mistake or whatever the error or whatever the incompetence might happen to be, it is ultimately the taxpayers who have to pay for those errors. In New South Wales they are paying, and they are paying literally hundreds of millions of dollars for every saga that gets dragged through the courts or through the publicity we are seeing. Each one of them involves not millions of dollars or tens of millions of dollars: in some cases literally tens and hundreds—

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Crothers says that there is more to come. There is literally tens or hundreds of millions of dollars in each case. I know that the New South Wales Treasurer is pulling out his hair—what little is left—because the dividends from the electricity businesses coming into the New South Wales Treasury are having to be reduced significantly and, therefore, they have had to engage in a number of other budget and accounting devices in terms of debt shifting to try to compensate.

I conclude by saying that every story with which the Hon. Mr Davis is able to regale us in relation to the problems that the government owned and run generators and distribution companies are suffering in New South Wales and other states is, as I am sure he realises, further evidence of the correctness of the decision that this parliament ultimately took with the support of the Hon. Mr Cameron and the Hon. Mr Crothers.

RURAL RIVERS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Environment, a question in relation to the neglect of rural rivers.

Leave granted.

The Hon. M.J. ELLIOTT: The minister is no doubt aware that for some time there have been problems relating to the North Para River. In April 1983 the *Barossa and Light Herald* first reported local complaints about pollution, yet it was not until mid March this year, when fish, birds and tortoises were found dead in the river, that the EPA commenced an investigation. Frustrated by a lack of state government response and the slowness of the EPA investigation, the *Barossa and Light Herald* wrote to the EPA and the minister on behalf of the local residents earlier this month. Among the concerns highlighted at that time was that wineries could be dumping into the council septic system waste that was released into the North Para River.

While I understand that this correspondence has now been acknowledged, I have received information today from the Editor of that paper that the EPA and the minister are yet to answer these questions. Meanwhile, the local community is erecting signs to warn people of the pollution affecting this river, which runs through a popular South Australian tourist destination. I also draw the minister's attention to a similar situation at Victor Harbor, where signs warning of pollution have been erected at the mouth of the Inman River. As the minister will be aware, the problem of sewage in the Inman River is not new. Prior to the last election the state government promised approximately $14 million to address the problem and in September 1998 it was estimated that a new SA Water sewerage plant would be commissioned by November 2000.

After ongoing delays, the state government promised an extra $4 million in last year's budget to guarantee work starting on the plant and set May 2001 as the commission date. It now appears that some three years after the initial promise the EPA has found problems with the environment improvement program, which is part of the condition of licence renewal. The commission date has been set back again, this time until June 2002. It seems that, while the state government waxes lyrical about saving the Murray River, it is taking its time to stop sewage seeping into important regional waterways. I note from the recent federal budget figures that $10 million will be devoted to a nationwide audit of Australia's land, vegetation and water resources. That review is overdue and welcomed.

This initiative will have important implications for the state government. The challenge this review will place on the state government is how it will respond to these and other examples of neglect of regional communities and their waterways. My questions are:

1. Will the minister explain to the residents of Victor Harbor and the Barossa Valley why there have been such extensive delays in addressing the sewage and septic waste seeping into the North Para and Inman Rivers?

2. Will the minister explain what happened to the $4 million in last year's budget that was to guarantee the commissioning of a new sewerage plant in the Inman River by May 2001?

3. Will the state government fast track a solution to these problems that have seen pollution warning signs erected in popular tourist areas?

4. What plans are there in this week's budget to respond to the proposed federal resources review, which will newly identify the just highlighted neglected problems in South Australia's waterways?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will direct the honourable member's question to the Minister for Water Resources and bring back a reply.

LOCAL GOVERNMENT, ACCOUNTABILITY

In reply to **Hon. A.J. REDFORD** (13 April) and answered by letter on 10 May.

The Hon. DIANA LAIDLAW: The Minister for Local Government has provided the following information:

1. What levels of accountability, by way of asking and answering questions, are available to elected members of council?

The accountability framework for elected members of councils is clear in the new Local Government Act 1999.

The respective roles of elected members and the CEO are explicitly spelled out for the first time.

Elected members have both a representative and a governance role. The role of a member as part of the governing body includes:

- participating in the deliberations and civic activities of the council;
- keeping the council's objectives and policies under review to ensure that they are appropriate and effective; and
- keeping the council's resource allocation, expenditure and activities, and the efficiency and effectiveness of its service delivery, under review.

The role of the CEO includes implementing council decisions, running the day to day operations of the council, and providing advice and proposals for consideration by council on performing its statutory role and assessing its performance. There is a clear expectation that the administration of a council will equip the elected body with the information needed for effective decision making. In the course of considering, adopting and resolving plans, policies, budgets, and other decisions, elected members can and do question the information presented to them.

For elected members to be able to effectively carry out their role, the Act also specifically addresses access to information, at section 61. This enables any member of council to have access to any relevant council documents in connection with the performance of their functions or duties, including but not limited to:

- a copy of a written contract entered into by the council, or a copy of a document relating to a contract that is proposed to be entered into by the council;
- accounting records kept by the council; and
- financial statements and other documents prepared by the council.

The capacity for members to inform themselves so that they can exercise their role is also reinforced by provisions such as S129 which ensures that the CEO provides copies of the independent audit opinion, and the auditor's report on particular matters, including irregularities arising from the audit, to each member of the council.

To reinforce the important principle of access to information, which reflects the common law on the matter, Local Government (Procedures at Meetings) Regulations, due to be made in May, allow members to prevent a question being put to the vote until relevant documents, that they have requested be tabled, are tabled. These regulations also allow the asking of questions with or without notice in the council meetings.

Councils may also have in place a range of informal mechanisms to allow members to ask questions about matters related to performance of their role.

2. Can the Minister provide answers to the sample questions that I posed in the explanation, and, given that there is only a tiny reference to Rundle Mall in the annual report, can the minister explain how the new system—since our legislation was introduced in the year before last—is operating in so far as Rundle Mall is concerned?

Those questions have been referred to the Council which will be asked to provide the information to the honourable member. If the honourable member has any concerns having received the Council's response, the Minister for Local Government invites him to raise them with her at that time.

MOBILE TELEPHONES

In reply to **Hon. SANDRA KANCK** (5 April) and answered by letter on 10 May.

The Hon. DIANA LAIDLAW: The Minister for Human Services has provided the following information:

1. The Department of Human Services keeps under review the findings of Australian and overseas research into possible health effects of exposure to various forms of radiation, including radio-frequency (RF) radiation emitted by mobile telephones, and it provides advice to the public via printed information bulletins, telephone inquiries and a website.

While the actual results of the tests conducted by *Which?* are not available for the department to review, preliminary tests on hands-free kits by the Commonwealth's Australian Radiation Protection and Nuclear Safety Agency indicated that the RF radiation from the ear-piece was considerably less than that from a mobile telephone. This is supported by measurements commissioned by New Scientist magazine and conducted by the National Physical Laboratory, UK.

The Department of Human Services considers that it has not been established that there are any adverse health effects to humans from exposure to the RF radiation from mobile telephones. This opinion is consistent with that of the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

Nevertheless, it is recognised that gaps exist in the scientific knowledge regarding the effects of exposure to RF radiation on human health, and to address this problem, the World Health Organization (WHO) established the International EMF Project in 1996. The EMF Project, in collaboration with international organisations, is pooling resources and knowledge concerning effects of exposure to RF radiation and other electromagnetic fields (EMFs).

In Australia, the Commonwealth Government has committed over $4 million for research into, and public information about, health issues associated with communications devices and equipment. Over $1 million of this funding has been directed to studies being undertaken in Adelaide.

2. Given the national and international efforts and the considerable resources required to make a contribution to knowledge in this field, the Department of Human Services does not consider it appropriate to fund an independent study to assess the health risks associated with mobile telephone users.

STREET SIGNS

In reply to **Hon. T. CROTHERS** (12 April) and answered by letter on 10 May.

The Hon. DIANA LAIDLAW:

1. Transport SA has advised that Valetta Road and Frogmore Road come under the care, control and management of the City of Charles Sturt. However, I understand that a Transport SA officer has spoken to Mr Craig Clark of the City of Charles Sturt to discuss this matter. Mr Clark has advised that council is aware of the damage caused to the roundabout on Valetta Road by larger vehicles, and will be undertaking some remedial work in the near future—i.e., repair of pavement and kerbing at the roundabout. This roundabout was installed some years ago and Council has no current plans to re-build or modify the roundabout.

It is council's view that only a few semi-trailers use Valetta Road/Frogmore Road and these semi-trailers use these roads to service local industry/shops. Therefore, council has no intentions of restricting or banning these type of large vehicles from using Valetta Road/Frogmore Road as a through route.

2. I am advised that there are no signs currently in place and council would not favour installing any type of sign that banned semi-trailers from using these roads.

HEROIN TREATMENT PROGRAMS

In reply to **Hon. T.G. CAMERON** (13 April).

The Hon. DIANA LAIDLAW: The Minister for Human Services has provided the following information:

1. The Pharmaceutical Benefits Scheme (PBS) is a program of the Commonwealth Government. Naltrexone is currently registered for relapse prevention treatment in opiate and alcohol dependence, but available on the PBS for alcohol dependence only. The Minister for Human Services has been advised that legal action is pending on this matter, and it would not be appropriate to comment further.

2. The South Australian government shares the honourable member's concerns about rising mortality rates. Advice to the government is that there is no single appropriate treatment for all people who are dependent on heroin, alcohol or any other drug.

Consequently, the South Australian government is placing emphasis on the development of a range of treatment options. There is currently limited access to public Naltrexone treatment through the Drug and Alcohol Services Council. The government will look at continuing or expanding this program in the light of commonwealth government decisions regarding funding, and taking into account research evidence and clinical experience of Naltrexone, Methadone and other treatment approaches that are currently available or being explored in South Australia.

EMERGENCY SERVICES LEVY

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Emergency Services, a question about the emergency services levy.

Leave granted.

The Hon. J.F. STEFANI: On 30 August 1999 the government announced the establishment of the Emergency Services Reference Panel to receive written submissions from individuals who, because of their circumstances, claim that they were unjustly or unfairly dealt with in respect of the application of the emergency services levy. The reference panel was due to report to the government by 1 March 2000 with its recommendations with respect to the issues raised in the submissions it received. Today, the *Advertiser* reported that it had obtained a complete list of 19 confidential recommendations made to the state government by the three-member panel. It revealed a summary of the panel's recommendations, which are expected to be included in the forthcoming state budget. My questions are:

1. Will the minister advise how many submissions were received by the reference panel?

2. Will the minister indicate what recommendations have been made by the reference panel to the government?

3. Will the minister publicly release the report received from the reference panel?

The Hon. K.T. GRIFFIN (Attorney-General): I will be pleased to obtain that information and bring back a response.

DRIVER TRAINING

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for Transport a question about young drivers and driver training.

Leave granted.

The Hon. T.G. CAMERON: The Victorian government recently announced that up to one-third of young drivers could escape death or serious injury by undertaking at least 120 hours of supervised driving lessons. Victorian learner drivers were receiving only 40 to 60 hours of practice before sitting their test. A new youth safety program campaign by the Transport Accident Commission cites international research that 120 hours practice can reduce the risk of crashing by up to one-third.

More than 150 drivers aged 18 to 21 years have been killed on Victorian roads in the past five years, with a further 2 500 seriously injured. In South Australia, 98 drivers aged 16 to 19 years have been killed for the same period. However, in South Australia, there is no requirement for a set number of hours that new drivers are required to practice before sitting for their licence. My questions are:

1. Considering the Victorian experience, is the minister satisfied with the amount of time spent practicing by South Australian drivers before they sit for their drivers' licence?

2. Has or will the department look at this issue to see whether South Australian drivers should be required to spend a minimum number of hours practicing before they are able to sit for their license, and will the minister bring back a report to this parliament?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): The honourable member commenced his question by indicating that the Victorian government was looking at the issue in terms of hours of supervised lessons, and he is asking me to reply in terms of practice. I want to be clear whether it is lessons or practice that he is referring to in this matter.

The Joint Committee on Transport Safety has just looked at a whole reference on driver training and testing. There was concern about some aspects of competency-based training in South Australia, which we noted the majority of people do undertake today.

There is no doubt that competency-based training, which Victoria has not yet introduced, as I understand, is far superior to the old test system which increasingly few young South Australians are undertaking as a way of gaining their 'P' plate and then their driving licence. I think that in many respects South Australia is out in front on this issue of driver training and testing but we did seek a number of changes, including giving young people experience under the supervision of a trained motor vehicle driving instructor, and there is legislation before the Legislative Council right at this moment dealing with the way in which younger people can be trained in terms of their competencies at driving at 100 km/h.

Other amendments are also being considered through the new road code or driver's handbook, which will be released next month. I think the honourable member will be pleased to note the way in which we are making much clearer what is expected in terms of the road code as well as giving people an opportunity to upgrade their skills.

I do not think there would be a member in this place who would not share the Hon. Terry Cameron's concern about driver training and testing and how we can improve our practice. Therefore, I am sure that either the transport safety committee, which is chaired by the Hon. Angus Redford and of which the Hon. Carolyn Pickles and the Hon. Sandra Kanck in this place are members, or I would be prepared to look at this issue. Not one of us would wish to see one young person die on our roads and, if there is more that we can do, I can assure members that that will be addressed.

This is a challenging issue. Having attended the Australian Transport Ministers' meeting on Friday, I can advise that a new national draft road safety strategy was considered. There are intense efforts by transport ministers and road safety authorities across Australia to ascertain how we can bring down the road toll by 50 per cent or 40 per cent per 100 000 vehicles on our roads by the year 2010. It will require some courageous decisions by this parliament if we are to achieve such a decrease in road carnage.

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: Well, 130 km/h on the road certainly would not help. I utterly agree. So there seems to be some conflict even in this parliament about which way we should be going in terms of road safety and deaths, and particularly young people. I just highlight that, even by bringing down the number of road deaths across Australia by 40 per cent or 50 per cent per 100 000 vehicles, well over 1 300 people still die on Australian roads each year. I told some of my colleagues today that, even given a reduction of the South Australian figure by 40 per cent to 50 per cent, more South Australians or more people are dying on our roads each year than the number of South Australians who died in the Vietnam war. We have memorials, marches and recognition for Vietnam veterans and people who died in the war but, when it comes to road carnage, there seem to be mixed feelings about how to deal with it and a tolerance—

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: That is right: it is always somebody else.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: And I have not even addressed the serious injuries. But there seems to be a tolerance and acceptance, which I find intolerable. This parliament will have to face a lot of hard questions in the next year or so in terms of road carnage.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: It is critical to address all those things, and they are difficult issues because they all require trade-offs in civil liberties and, sometimes, in freedoms. It means that the collective good must outweigh what one would individually wish to do on the road wherever we travel whenever we wish. So, I have addressed further matters to those raised by the honourable member, but I appreciate his concerns about these issues and will explore the essence of them in further depth with him.

MAJOR HAZARD FACILITIES

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Administrative and Information Services a question about major hazard facilities.

Leave granted.

The Hon. J.S.L. DAWKINS: I noted in yesterday's edition of the *Advertiser* a request for tenders relating to major hazard facilities in South Australia. The notice refers to the monitoring, inspection and auditing of major hazard facilities. I understand that this request has arisen as a result of the major gas explosion at Longford in Victoria in 1998. My questions are:

1. Will the minister explain what steps are being taken to identify facilities in this state that represent major hazards?

2. What steps are being taken to reduce any risks that may be identified?

3. In relation to the latest request for tenders, when will the process be completed?

The Hon. R.D. LAWSON (Minister for Administrative and Information Services): I am glad that the honourable member noted the advertisement in yesterday's newspaper. Major hazard facilities management has become something of an issue in Australia since the explosion at the Esso gas processing plant at Longford in Victoria in 1998 when, members will recall, two workers were killed and eight injured. The plant suffered major damage and there was enormous disruption to the gas supplies to Victorian industry and to the community.

Following that incident a royal commission was held, which made a number of recommendations in relation to major hazard facilities. Major hazard facilities are usually defined in standard definitions as areas under the control of a particular operator upon which an activity takes place involving or likely to involve the processing, production, disposal, handling, use or storage (either temporarily or permanently) of a quantity of materials exceeding certain substantial thresholds. It includes production facilities,

marshalling yards, piers, jetties, depots, pipelines and similar structures. The essence of these facilities is that, if inappropriately managed, they have the capacity to substantially affect the life and limb of the community.

In South Australia we have a number of facilities that would meet national definitions of major hazard facilities. We have facilities such as gas storage plants; the Pasminco smelter at Port Pirie; and the Santos storage at Port Bonython, where 164 000 tonnes of liquid petroleum gas can be stored at any one time. There are gas storages at Roxby Downs, at Olympic Dam, and there are explosives storages and dangerous substance storages in this state, all of which could have the capacity to substantially affect the lives of people and surrounding areas. Of course, a number of regulations already exist relating to such places.

We have the Dangerous Substances Act, the Occupational Health, Safety and Welfare Act, the Petroleum Act, the Environment Protection Act and a number of other regulatory measures. However, if you break down one of these large sites into various small components for individual legislation, you run the risk of not having an overarching strategy that will manage the facility as a whole.

In consequence of that, we are examining the development of an appropriate legislative monitoring and auditing strategy to ensure that we have in place plans and a regulatory regime that will deal appropriately with these facilities which, as I have said, have the capacity adversely to impact on the wider community. A number of other states are similarly looking at measures for major hazard facilities. Victoria, as a result of the royal commission and the tragic events of Longford, is developing appropriate measures, and I believe that these measures ought to be adopted at a national level.

I have been in communication with the federal minister, and discussions are taking place at officer level with officers in a number of other jurisdictions. The management of major hazard facilities is an internationally recognised discipline, and by the request for tender that the honourable member noted I am seeking advice of a very specialised kind to ensure that the plan we develop in this state is consistent with developments internationally and takes into account the experience that has been obtained elsewhere. I hope to have concluded by the end of this year the advice and draft proposal sought in the request for tender.

GOVERNMENT UNDERSPENDING

In reply to **Hon. CARMEL ZOLLO** (11 November 1999).

The Hon. R.D. LAWSON: In addition to the answer given on 11 November 1999, I provide the following further information:

The $50.8 million 'underspend' reported at that time in the *Advertiser* refers to the budgeted 'cash position' information supplied by the Department for Administrative and Information Services (DAIS) during the budget process at the beginning of August 1999 and relates to:

- DAIS;
- DAIS administered items;
- Land Management Corporation; and
- SA Lotteries Commission.

Many offsetting items including improved receipts, improved profitability and the variations to the timing of committed capital amounts can affect the 'cash position'. Therefore the reported $50.8 million 'underspend' is in fact an improvement in the 'cash position'. A breakdown of the $50.8 million improvement in the 'cash position' is provided below.

	$ million	
DAIS	19.994	Below Estimated Outcomes
DAIS Administered Items (primarily Land Management Corporation)	28.830	Below Estimated Outcomes
Residential Properties	(1.774)	Above Estimated Outcomes
Lotteries	3.712	Below Estimated Outcomes
	50.762	Below Estimated Outcomes

DAIS' 'cash position' exceeded the estimated outcome by $4.322 million on the recurrent side and was below its capital expenditure estimate by $15.563 million. The DAIS capital budget was fully committed, the improvement in the 'cash position' identified in August 1999 arose from capital items related to variations to the timing of projects outlined in the following table.

30 June 1999 Capital Works Position

Areas of expenditure delayed compared with budget

Project	$'000
Glenelg-West Beach	3 575
Botanic Wine Centre	3 802
Wirrina	1 717
Wakefield House Fitout	1 900
CSIRO Water Studies/Environment Monitoring	509
PABX Procurement	2 000
SAMIS Predevelopment	500
Land Services Group Projects	400
Commercial Properties	2 343
DAIS Miscellaneous	1 855
Less Expenditure Brought Forward	3 019
Aggregate spending below estimated outcome	15 563

FREEDOM OF INFORMATION ACT

In reply to **Hon. M.J. ELLIOTT** (10 November 1999).

The Hon. R.D. LAWSON: In addition to the answer given on 10 November 1999, the following information is provided:

Before dealing with the substance of the main question, it should be made clear that if the honourable member is dissatisfied with the EPA's determination with regard to an FOI application he can seek a review of the determination. There are a number of avenues for review and appeal under the FOI Act. Firstly, application to the chief executive of the EPA for an internal review of the decision. Following that, the matter can be taken up with the ombudsman or alternatively, an appeal to the District Court can be lodged.

The question relates to the interpretation and intention of Schedule 1, Clause 6(2) of the Freedom of Information Act 1991 which reads

> A document is an exempt document if it contains allegations or suggestions of criminal or other improper conduct on the part of a person (living or dead) and the truth of those allegations or suggestions has not been established by judicial process.

During the second reading speech Hon Chris Sumner MLC advised that 'this provision (clause 6.2) is an important protection to individuals. Unproved allegations against a person should not be able to be accessed. If an allegation has been proved in court, the protection offered by this provision is removed' (*Hansard*, Legislative Council 13 March 1991 p 3536).

Most people would agree that the presumption of innocence until proven guilty is at the core of the rule of law which underpins our notions of justice and is the cornerstone of our judicial system. Therefore, the appropriate forum for determining the truth of allegations of criminal or other improper conduct is the court, where all of the evidence can be considered. Access through FOI to information that relates to the investigation of conduct which may contravene the law and which may compromise the position of a citizen or organisation ought not be accessible. Accordingly, it is not conceded that the protection provided by clause 6.2 is inappropriate.'

GOVERNMENT PROPERTY SALES

In reply to **Hon. CARMEL ZOLLO** (11 April).

The Hon. R.D. LAWSON: In addition to the answer given on 11 April 2000, the following information is provided in response to the specific questions:

1. The only government owned property I am aware of that has been sold on a full lease-back arrangement is Flinders Central, 30-38 Flinders Street (police headquarters). This property was identified by the government as one it did not wish to maintain ownership of on a long term basis and was sold with an agreed ten year lease.

Mobilong House, Seventh Street, Murray Bridge was also sold in 1996. It was sold to the council, but not on a full lease-back arrangement. The government agreed to lease about 70 per cent of

the premises for six years. The council occupy the balance of the premises.

2. I am not aware of any government owned properties which are currently for sale on a lease-back arrangement.

3. With respect to Flinders Central and apart from the agreed 10 year lease, there were no specific contractual arrangements. In particular, the building owner is responsible for meeting the costs associated with normal base building maintenance.

4. The current account commitment for the lease of Flinders Central is confined to a rental payment of approximately $3.2 million per annum.

With respect to the question on the difference between the 'two schemes', clearly they are different and there is no comparison between the two. One seeks to dispose of assets identified as surplus to government's long term requirements. This approach 'frees up' capital for other government initiatives and, while it removes a potential future financial burden, it also realises the maximum capital benefit. The other scheme is a means to acquire new capital facilities by using private capital.

HIGHWAYS (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 29 March. Page 707.)

The Hon. CAROLYN PICKLES (Leader of the Opposition): The opposition supports the second reading. The bill is one to which the opposition has given a great deal of attention and care. It is an important bill with quite significant ramifications and the opposition has therefore undertaken quite extensive public consultation. On a positive note, I know that I speak for many in the community in welcoming the new Gillman Highway and the third river crossing. This bridge is an important link in the state's road transport infrastructure, not to mention the benefits it will create for local communities in Port Adelaide and South Australia. At this stage, I acknowledge the effort of the local council and the local member, the member for Hart, in working tirelessly with the government to achieve this outcome.

My office has forwarded the bill to a number of organisations, including the RAA, the Public Service Association and the Local Government Association of South Australia, amongst others. Their comments were most useful and raised a number of important issues that I will discuss later. The bill seeks to achieve a number of changes, the most notable being the authority to raise tolls, a first for this state. As I indicated, I welcome this particular infrastructure project but I do not support tolls. There may be special circumstances where it is acceptable to raise a toll but, as a general principle, the opposition does not support the raising of tolls. In respect of this proposal, because the local council and business sectors have indicated their strong support and because it is an industry toll, the opposition is prepared to support it on this occasion.

The bill also seeks to clarify the role of the Commissioner of Highways and to place the position under the direction of the minister. I indicate that the opposition has filed two amendments, which will be moved in another place because they deal with a money clause. I thank the Minister for Transport for meeting with both the member for Hart and me in an attempt to negotiate some difficulties that the opposition had in relation to shadow tolling and the need for some kind of parliamentary scrutiny. I am pleased to say that the minister has agreed and the government will support the amendments that will be moved by the opposition in another place.

The first amendment seeks to delete the shadow tolling payment scheme provision from the bill. Although I appreciate that the government has no specific project proposal at this time for which it seeks a shadow toll, the opposition and it appears the government are now uncomfortable with such a provision that may be used at a later date. The deletion of the shadow tolling provision does not in any way alter the project before us.

The second amendment seeks to refer details of the project agreement, including funding arrangements, to the Public Works Committee for inquiry and consideration. In doing so, it is not the intention of the opposition to obstruct or impede this important project. All we are seeking is to ensure a level of public accountability, particularly in relation to the funding proposals. The opposition appreciates that, given the nature of the project, detailed funding proposals cannot be determined at this stage; hence the amendment provides for public scrutiny at a later stage. As I indicated earlier, the government will support that amendment.

The opposition was also concerned about any proposal that private vehicles might be subject to a toll provision. That is not contained in the bill, I hasten to add, but I place on record my opposition to that proposal and I hope that it will not be necessary to have to bring that into play. However, I am mindful of the need for this bridge to be used predominantly, if not entirely, by heavy vehicles, which is the object of the exercise, to get heavy vehicles out of the City of Port Adelaide.

The tolls issue was highlighted by the RAA in its comments provided to me, and I quote the CEO of the RAA, Mr John Fotheringham, in correspondence dated 4 April this year, as follows:

> The board believes that the Gillman Bridge is of significant commercial importance to the ongoing development of South Australia and, on this basis, we will not oppose the bill presently before the parliament, which provides for both direct and shadow tolls. The RAA will continue to monitor the development of this project and will await advice from the government on funding proposals before determining our final policy.

Mr Fotheringham's last point was reiterated in more recent correspondence and it is because of this uncertainty that the opposition will move to refer the project agreement to the Public Works Committee. I am sure that the minister will be in ongoing communication with the RAA on these proposals.

The Local Government Association sent in a submission to me and I met with its representatives last week. Of most concern to me, and it would appear to the Local Government Association, is that, despite the significant implications for local councils, the LGA was not consulted on this bill prior to its introduction in the parliament. Apparently the first time it heard of the bill was when I sent it a copy for comment on 31 March 2000, so perhaps the minister can report whether or not she has subsequently met with the LGA to discuss these issues. I understand that the minister received a similar letter to the one that was sent to me, but I would like to briefly outline the LGA's three causes for concern and seek the minister's comments.

Its first cause of concern was the ability of the commissioner to override council powers in relation to the roads provision in the Local Government Act 1999 and, in particular, the implications that may have in relation to areas such

as controversial road closures, vegetation clearance and the relationship to significant trees, for example. The second point of contention was the ability of the commissioner to seek a financial contribution from councils for public lighting infrastructure. Based on the electricity experience, it will basically be a donation to an asset in which councils have no legal interest. The LGA was particularly concerned that the change to the privatisation of ETSA may have a significant effect on its future commitment in this area.

The introduction of tolling provisions and the ability to declare public roads to be regarded as personal property, which may in the future be capable of being applied to other local government areas, was also raised. In her second reading explanation, the minister stated:

> These proposals do not seek to change the relative powers and responsibilities of state and local government. Rather, they clarify operational boundary issues as they relate to roads under the care, control and management of the commissioner.

It seems to me and certainly to the LGA that perhaps this bill does a little more than that. In fact, the LGA is seeking clarification on the matters that I have already indicated and also seeks assurances from the minister that she has taken these points into consideration and has discussed this matter with the LGA. In her second reading response, she could indicate the outcome of those deliberations.

The Public Service Association is satisfied with the bill. The opposition welcomes this important road infrastructure project and looks forward to the many jobs that I hope it will create. This is an important example of the opposition and government working successfully to achieve outcomes for the benefit of local and business communities. I look forward to the minister's response to the issues and questions raised.

The Hon. SANDRA KANCK secured the adjournment of the debate.

MOTOR VEHICLES (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1048.)

The Hon. CAROLYN PICKLES (Leader of the Opposition): The opposition supports the second reading of the bill. The bill has two purposes: first, to implement the recommendation of the Joint Committee on Transport Safety, of which the minister and I were members, to increase the per hour speed restriction of learner drivers from 80 km/h to 100 km/h in special circumstances; and, secondly, in relation to authorised vehicle examiners.

I turn to the first provision of the bill, which deals with learner drivers. When we deliberated on this issue there was a concern that young learner drivers should have some expertise in driving at higher speeds. The evidence that we received indicated that the minute they got their P-plates they drove at excessive speed without the amount of education they needed to drive at such speed. This is a particularly important initiative for country drivers as it enables them to learn skills that resemble reality.

We are mindful of the devastating number of fatalities that occur in country areas. When I hear of people recommending speed limit increases in country areas I wonder whether they have ever looked at the statistics which indicate that, in the main, the people who die in those crashes live in country areas. So, it is very important that young drivers learn to drive at higher speeds, particularly on dirt roads.

The minister has outlined the many sensible restrictions that apply to this provision, including the requirement for learners to be accompanied by a licensed motor driving instructor in a vehicle fitted with brakes for both the instructor and the driver. The second aspect of the bill concerns authorised examiners and the sunset provision which was contained in the act at the instigation of the Hon. Sandra Kanck when the issue was previously before us. In relation to the Hon. Sandra Kanck's fears of corruption, I welcome the findings of the investigation undertaken by Transport SA which discovered that only two of 1 200 contraventions were reported.

I forwarded the bill to the PSA for comment and in return received a number of sensible suggestions regarding safeguards for inspections undertaken by private sector operators. Instead of proceeding with amendments on these matters I was hoping it might be possible to seek a response or undertaking from the minister. Specifically, it is the PSA's position that current examiners should be responsible for examining private contractors. Secondly, the registrar should be required to involve the South Australian police when developing procedures as opposed to accepting an undertaking from the registrar, as suggested in the minister's second reading explanation. Finally, the PSA suggests that Transport SA should audit private inspections and report on breaches annually to the parliament.

I would be interested to hear the minister's response on these matters. I am happy to provide her with a copy of the correspondence that I received from the PSA on this issue. I indicate that the opposition is pleased to support the second reading.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I have spoken to the Hon. Terry Cameron, who also speaks on behalf of the Hon. Trevor Crothers in this matter, and they are pleased to see the bill advance. I thank the Hon. Sandra Kanck and the Hon. Carolyn Pickles for their contributions to the second reading of the bill and to the work of the transport safety committee of this parliament, because it is through that forum that a major reform is incorporated in the bill, namely, allowing learner drivers under strict circumstances to gain experience and confidence by driving at 100 km/h on the open road.

The Hon. Sandra Kanck spoke about another provision in the bill—the lifting of the sunset clause, which is currently set for 30 June and which concerns the private inspection of vehicle engines and other purposes. This provision principally relates to the integrity of motors and vehicles in general and also in respect of avoiding and reducing theft. I outlined in my second reading contribution the reasons why we believe we can now lift the 30 June sunset date, and I thank all members for their confidence in supporting that.

The Hon. Sandra Kanck said that she would be interested to hear from me about how effective the code of conduct for inspectors has been, and I will do that now. I proposed the amendments regarding a code of practice to the Motor Vehicles (Inspection) Amendment Bill in 1996 as an additional way to ensure that people in the private sector who undertook examinations of vehicles on behalf of the registrar could be made accountable for their behaviour. Section 139(5) makes it an offence to contravene such a code of practice and provides a penalty of up to $5 000.

When employees of vehicle dealerships were authorised in July 1997 pursuant to the amendments, a document entitled 'Guidelines for the Pre-registration of New Motor Vehicles and the Completion of a Report by an Authorised Person' was prepared and distributed to vehicle dealers whose employees were authorised by the registrar to conduct examinations of new vehicles. The guidelines clearly state the duties and responsibilities of the authorised person, including the procedure to be followed and that failure to comply may result in the withdrawal of the authorisation. I am informed by Transport SA that the guidelines have been well accepted by authorised examiners and their employers.

In the second reading explanation for the Motor Vehicles (Miscellaneous) Amendment Bill I referred to investigations into corruption by authorised examiners from the private sector. Since the amendments came into operation only one charge has been made against an authorised examiner under section 139(5). Although the police did not proceed with the prosecution, the authorisation of the examiner concerned was withdrawn as the registrar considered that there was sufficient reason to doubt the fitness of the person to be so authorised.

I have a copy of the questions the Hon. Carolyn Pickles asked, and I will comment on them when the bill is considered in the other place. I have an indication that that is acceptable to the Hon. Carolyn Pickles, and I thank her for that.

Bill read a second time.

In committee.

Clause 1.

The Hon. CAROLYN PICKLES: I take the opportunity to speak on this particular clause. I have raised in my second reading speech, which I gave today, the issues of concern raised with me by the Public Service Association, and the minister has indicated in her second reading response that she will deal with these issues before the bill goes to the other place. It is not the intention of the opposition to delay the passage of this bill. We are mindful of the fact that we have a very heavy Notice Paper. I think these are sensible issues that have been raised by the PSA and I look forward to the minister addressing them before the bill proceeds to the House of Assembly.

The Hon. DIANA LAIDLAW: I just repeat for the record that I will address and report on these matters. If I have any particular difficulty or any amendment that needs to be considered I will certainly address those matters for the honourable member before the bill is advanced in the other place.

Clause passed.

Remaining clauses (2 to 4) and title passed.

Bill read a third time and passed.

HISTORY TRUST OF SOUTH AUSTRALIA (OLD PARLIAMENT HOUSE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 April. Page 771.)

The Hon. SANDRA KANCK: This bill provides a cleaner and a clearer structure for the management of Old Parliament House. It will give the Joint Parliamentary Service Committee the right to directly manage the building instead of having to do it through the History Trust. As I understand it, the current position is that parliament pays the History Trust for the use of Old Parliament House and the History Trust is then able to use that money for the running of Edmund Wright House. So I am a bit concerned that in this process, although I think it is good that the JPSC has control of the running of this building, the cashflow for the History Trust will be removed. I would like something on the record from the minister when she sums up about how this will be addressed, because it is the sort of thing where we need to keep the government honest.

I do remind the minister of informal undertakings that were given when I supported the bill, I think it was back in 1996, to allow the parliament to use Old Parliament House as its currently does and to maintain the restaurant in the courtyard that we had. That promise, although it was informal, was subsequently broken. So in the light of that, I do seek some reassurances on the record about the funding for the History Trust, because I did not seek those reassurances on the record as regards the restaurant, and it is important in these circumstances that we do know that the History Trust funding is not going to be upset by this arrangement. With those words, I indicate the Democrats' support for the bill.

The Hon. J.F. STEFANI secured the adjournment of the debate.

SOUTH AUSTRALIAN HEALTH COMMISSION (ADMINISTRATIVE ARRANGEMENTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 April. Page 826.)

The Hon. P. HOLLOWAY: The opposition supports this bill, with some reservations. This bill seeks to dramatically change the current functions of the South Australian Health Commission. In fact, it might be more correct to say that the commission is effectively being gutted under this bill, which transfers almost all of those functions to the Minister for Human Services who will then have the power to delegate. The South Australian Health Commission was, of course, if my memory serves me correctly, the outcome of the Bright Commission in the 1970s, and the Health Commission has served South Australia well, but times move on, and the opposition certainly does not oppose a change to the current health arrangements. However we do not necessarily believe that the government's response, as it is demonstrated in this bill is the best outcome. Indeed, I would just like to quote some comments that were made by my colleague in the other place, Lea Stevens, shadow Minister for Health:

> The present minister came to the portfolio in 1997 as presider over a new administrative structure, the Department of Human Services. Then, I believe, was the time to outline a new vision for the delivery of health services in conjunction with the other parts of the new portfolio. Sadly this has never occurred. Instead we have had a piecemeal approach with a dripfeed of amendments to the principal legislation and never any overall plan or direction articulated.

I think those comments by my colleague in another place pretty well sum up what has happened to the health portfolio under this government. So there certainly are some big changes that are brought about in this bill. Of course, one of the reasons why this bill had to be introduced was the result of some serious criticisms that had been made by the Auditor-General in both his 1998 and 1999 reports. The Auditor-General criticised the appointment of Christine Charles as a CEO of the Health Commission. Christine Charles is also the chief executive of the Department of Human Resources. The Auditor-General suggested that this appointment was contrary to the South Australian Health Commission Act of 1976

which held that the Chief Executive Officer must not be a Public Service employee. The consequences of this appointment, which the Auditor-General suggested was invalid, could include nullifying any decisions made by the chief executive. The Auditor made it clear in his most recent report that the appointment of Christine Charles was unlawful and of no effect. I refer to the Auditor-General's Report A.3 (page 74):

> A submission by the portfolio minister states that the minister may direct the office-bearer of both the positions of Chief Executive of the Department of Human Services and Chief Executive Officer of the South Australian Health Commission and therefore the offices are not incompatible.
>
> The analysis of the minister is, in my opinion, with respect, not correct if it is to the effect that ministerial authority is co-extensive for the South Australian Health Commission and the Department of Human Services. Section 15 of the Public Sector Management Act of 1995 empowers the minister to direct and control the Chief Executive of the Department of Human Services.
>
> The minister is not the person vested with the day-to-day administrative responsibility for the South Australian Health Commission. The minister can only give directions to the South Australian Health Commission as a collegiate body.

There is a note to indicate that that applies under section 7 of the South Australian Health Commission Act. It continues:

> The minister has express power to direct and control the South Australian Health Commission. The minister has no power of direction over the Chief Executive Officer of the South Australian Health Commission.
>
> The issue of the nature of the relationship between a minister and the chief executive of a government department in contrast to that of a minister and a statutory authority is particularly poignant when one considers the parliament's intentions when establishing the South Australian Health Commission.
>
> In the analysis above I have considered the history of section 19A of the South Australian Health Commission Act 1976. Parliament deliberately and intentionally decided that the South Australian Health Commission was not to be an administrative unit within the public sector. Permitting an individual who is employed as a public servant, albeit in another capacity and subject to ministerial control, to be Chief Executive Officer of the South Australian Health Commission, clearly derogates from this intention. This is particularly so where there is a very real potential for conflict between the exercise of Ms Charles' duties as Chief Executive Officer of the commission and as Chief Executive of the Department of Human Services.
>
> In the event that the executive desires to review the South Australian Health Commission Act 1976 and in the interim appoint a public servant to the office of the Chief Executive of the commission, it should, in my opinion, do so by introduction and passage of the appropriate legislative provisions in parliament.

The final conclusion of the Auditor-General was:

> In my opinion the appointment of Ms C. Charles to the position of Chief Executive Officer of the South Australian Health Commission is, for the reasons stated above, unlawful and the appointment is of no effect.

I remind the Council that that was stated in the Auditor-General's Report 1999. He had made other criticisms of this appointment 12 months earlier in his 1998 report. We therefore have this legislation before us that will, according to the government, validate all actions and decisions made by Ms Charles as CEO of the South Australian Health Commission. This bill dispenses with the need for a CEO of the South Australian Health Commission by transferring most powers to the minister, including financial and accounting arrangements. The Chief Executive of the Department of Human Services will be responsible for financial reporting.

The opposition believes that health service arrangements are in dire need of an overhaul and this proposed legislation does not achieve any kind of long-term solution to the great inadequacies of the current system. The department appears to have no direction and it is of concern to the opposition that very little consultation appears to have taken place before this bill was introduced.

In another place my colleague Lea Stevens mentioned that fact. She has sought to circulate the bill widely and gain comment on that bill from within the health sector. The conclusion is that there is certainly no great enthusiasm for this bill, but unfortunately there appears to be a sense of resignation amongst that sector that the Olsen government will get its way in health by one means or another. With all the changes and the battering that many in the health system have endured over the past six years, it is probably no wonder that a lot of the fight has gone out of that sector.

In as much as this bill corrects anomalies that need to be corrected, the opposition will support it, although as I have indicated in my speech it is with some reluctance and there is some regret that the government has not been able to spell out a much clearer vision of where it sees the very important health sector of this state going.

The Hon. SANDRA KANCK: This bill is an attempt by the government to deal with problems raised by the Auditor-General regarding the Chief Executive Officer of the Health Commission and it also, as the title of the bill suggests, alters the administrative arrangements of the Health Commission. The title 'Administrative Arrangements' is very insidious, because what is occurring is the centralising of still more power with the Minister for Human Services. Ms Christine Charles was appointed to the position of CEO of the Health Commission under section 68 of the Constitution Act 1934. She was at the time—and may well still be, for all I know—a public servant, yet section 19A of the South Australian Health Commission Act precludes the appointment of someone who is a public servant to that position. The up-shot of this is that her original appointment may be invalid, which raises the question of the validity of any of her actions as CEO, to the point where those actions could be legally challenged.

Given that the Auditor-General raised this matter first in his report in 1998 and again in 1999, the government has been particularly slow to respond to the problem. The solution it has come up with is a peculiar one. That section of the act is to be repealed and Ms Charles' actions up to the present time are to be retrospectively validated by this bill. That to me sounds suspiciously like backyard cricket—changing the rules to suit the circumstances of the biggest kid on the block.

I was informed at a departmental briefing on this bill that the amendments will meet the concerns raised by the Auditor-General. It might do that in a purely legalistic sense, but in a functional sense I have grave doubts. If one reads what the Auditor-General has to say, one notes that it is his opinion (and one with which I concur) that the South Australian Health Commission Act 1976 was deliberately designed by the Parliament to remain outside the Public Service Act. Amendments to the act in 1980 and again in 1987 have reconfirmed that this was the Parliament's intention. I quote from second reading speeches regarding sections 19A:

> The CEO and Deputy CEO have been excluded from Public Service employment so as to ensure that the officers, and therefore the South Australian Health Commission, are administered in an impartial and objective manner, given the central importance of the South Australian Health Commission in managing and controlling health services.

I note the comments made by the Hon. Paul Holloway in what I would describe as the reluctant support he has given

to this bill. And I have read the contribution by his counterpart in the lower house, Lea Stevens. I have also had a private conversation with Lea Stevens and she seemed reasonably supportive of the legislation—far more so than is the Hon. Paul Holloway—indicating that the arrangement to which the government has come in this bill is quite similar to what the opposition ran with at the last election. I would like to know what has happened between then and now—that is, when the act was amended in 1980 and 1987—that both the government and the opposition appear to have reversed their positions on the need for the impartiality and objectiveness that was originally referred to. I wonder whether the government or the opposition believes that we need impartiality and objectiveness in government administration any more. I know that power can be seductive, but surely the public interest is better served by having officers who will act impartially, who will question a health minister and who will even stand up to him or her. I wonder why both the government and the opposition—

The Hon. P. Holloway interjecting:

The Hon. SANDRA KANCK: The structure has changed, as the Hon. Paul Holloway says, but it seems that it could suit their purposes to have more 'Vicars of Bray' deferring to them when they form government.

The Health Commission is to be gutted—that is the word that the Hon. Paul Holloway used and the only word that can describe what is to happen. The powers of the CEO and the Health Commission are to be transferred to the minister, and the small rump that is left of the Health Commission will be administering just the Food Act and the controlled notifiable diseases act.

In April this parliament passed, with Democrat opposition, a bill which secured guaranteed power for the minister regarding the giving of directions to hospitals and health centres, and this bill further centralises power with the minister. I think there are some extraordinary changes going on in this piece of legislation about which the public has little or no knowledge. I have sent out copies of this bill to a number of organisations, and I will await their feedback before I finalise the Democrat position on this bill. The final position of the Democrats will be subject to the feedback we receive. At this stage I cannot indicate support or opposition to the whole bill, but I indicate support for the second reading.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

STATUTES AMENDMENT (PUBLIC TRUSTEE AND TRUSTEE COMPANIES—GST) BILL

Adjourned debate on second reading.

(Continued from 2 May. Page 994.)

The Hon. IAN GILFILLAN: This is a simple, short bill that enables the Public Trustee and private trustee companies to charge GST to cover their commission or fee against the estates they administer. With respect to the Public Trustee, it is fairly obvious from section 45 of the Public Trustee Act 1995 and the provisions of the Public Trustee regulations 1995 that commissions and fees are limited to a set percentage; a sliding scale, with 4 per cent charged on estates under $100 000 down to 1 per cent of the value of an estate when the estate is valued at over $400 000.

However, in respect of private trustee companies the Trustee Companies Act 1988 appears to give scope to a private trustee company to recover the cost of GST due for a trustee company's services. Section 11 of that act provides:

(1) A trustee company may—

(a) charge against an estate the amount of any disbursement properly made in the administration or management of the estate;

(b) charge reasonable fees for the preparation and lodging of returns in respect of any tax, duty or fee imposed by law.

When he concludes this debate, the Attorney may just elucidate why section 11 of that act does not already do what the amending bill appears to be aimed at. It is obviously a question of semantics rather than principle, and I am happy to indicate the Democrats' support for the second reading of the bill.

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indication of support. I do not think the issue which the Hon. Mr Gilfillan raises is adequate to address the issue of the GST. However, if I could take the issue on notice, I will respond to him, perhaps in writing, before the bill finally passes in the House of Assembly. As I say, I do not think the provision to which the honourable member has referred is adequate, but there may be some other explanation which I can give to the honourable member at a later stage.

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

CRIMINAL LAW CONSOLIDATION (MENTAL IMPAIRMENT) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 13 April. Page 935.)

The Hon. IAN GILFILLAN: In 1995, state parliament enacted an important change to the criminal law governing mental impairment. It inserted a new Part 8A into the Criminal Law Consolidation Act. Neither of my colleagues at that time (the Hon. Michael Elliott and the Hon. Sandra Kanck) spoke to the 1995 bill, but there was tripartisan support in the Legislative Council for the changes. The changes seem to have been a matter of commonsense, in effect separating the following two questions: first, is the accused mentally impaired and, secondly, did the accused do it? As a result of that change both questions can be properly taken into account and the mentally impaired can more often receive treatment rather than merely being imprisoned.

Five years on, and with the benefit of five years' application of the law, there is a need for some finetuning. I have sought comment on the bill from the Law Society, the Public Advocate, John Harley, and from an independent criminal lawyer, David D'Angelo. The Law Society has made a detailed submission which is critical of two provisions, and I take the opportunity to share with the Council the comments that have been made on those two provisions. The submission on the bill by the Criminal Law Committee of the Law Society of South Australia states:

Clause 14—amendment of section 269W of the act. In its present form, section 269W of the act gives counsel an independent discretion to act in what he or she genuinely believed to be the defendant's best interests if the defendant 'is unable to instruct counsel on questions relevant to an investigation under this part.'

The proposed amendment seeks to widen that discretion in two respects: first, by expanding the matters or topics upon which the independent discretion is to be exercised. At present, the exercise of the independent discretion is limited to 'questions relevant to an

investigation under this Part'. The proposed amendment would require the independent discretion to be exercised in respect of all aspects of the conduct of criminal proceedings. Secondly, the independent discretion is proposed to be further widened, by requiring the wider discretion to be exercised where council 'has reason to believe that the defendant is unable. . . to give rational instructions' rather than, as is the present position, where 'the defendant is unable to instruct counsel'.

The committee views the whole notion of counsel having an independent discretion to make decisions in relation to the conduct of criminal proceedings on behalf of the client as quite undesirable. Counsel's role is not, nor should it ever be, to make decisions for the defendant. Counsel's role is to provide advice and advise the client to act in what counsel might regard as the client's best interest, but it is not consistent with the proper role of counsel to actually make the decision for and on behalf of a defendant.

The committee would therefore oppose the proposed expansion of a discretion in section 269W of the act and, indeed, would propose a repeal of section 269W in its entirety. Instead, the committee would propose that amendments be made to the Guardianship and Administration Act 1993 for the following effect: if a defendant is mentally impaired to the extent that he or she is unable to give rational instructions in relation to the conduct of criminal proceedings, a guardian should be appointed to look after that person's legal interests. The committee notes that there already exists provision under the Guardianship and Administration Act for appropriate decisions concerning the medical treatment for mentally impaired persons to be made pursuant to the orders of the Guardianship Board. In the same way, the committee suggests that it would be appropriate for legal decisions in respect of mentally impaired persons to be made by that person's guardian or by the Guardianship Board. Obviously, the guardian or the Guardianship Board would consider the advice and recommendations of the mentally impaired person's legal representative (in the same way as the advice and recommendations of a mentally person's medical practitioners are presently considered in respect of medical treatment). Ultimately, however, it is desirable that the actual decision in relation to the conduct of criminal proceedings be made by the mentally impaired person's guardian, rather than by that person's legal representative.

Having regard to the position in New South Wales, it would seem that there is the need for an express power being given to the Guardianship Board (and therefore an amendment to the Guardianship and Administration Act) by parallel reasoning, from the decision of the New South Wales Supreme Court in Public Guardian v. Guardianship Board and Others (No. 11 of 1997) (1997) 92 A Crim R 591.

The second area of concern to the committee of the Law Society is clause 15—insertion of section 269WA of the act, and in its submission the society states:

The proposed insertion of section 269WA would enable a court, at an early stage of criminal proceedings, to require an accused person to submit to a psychiatric examination before trial, rather than, as is the present position, to wait until the issue is raised or becomes apparent at the trial.

The committee acknowledges that the grant of such a power to the court might result in less disruption to the trial process in some cases. However, the committee is strongly opposed to the court having power to compel an accused person to submit to a psychiatric examination.

The proposed provision is silent on the question of disclosure of the results of such an examination. It would seem that the court, at least, would have to be informed of the result of the examination. It would also seem that there would be nothing to prevent the prosecution from learning the results of the examination, either by seeking access directly from the court or by issuing a subpoena to the psychiatrist who performed the examination to give evidence.

Under the proposed amendment, it would also seem that, if it became apparent to a trial judge, for whatever reason, at some stage prior to trial, that mental impairment might be an issue at trial, the court could, without more, compel a psychiatric examination of the defendant and require the results of that examination to be communicated to the court and, it would appear, there would be no prohibition on the Crown learning, at some stage, the results of that examination.

The committee would regard such a procedure as inappropriate. Such a procedure would extinguish a fundamental right of an accused person, namely the right to silence. Case flow management considerations could not justify such a result. The committee would regard the proposed amendment as all the more inappropriate given that it seeks to compel disclosure from an accused person who might be suffering from some mental impairment.

I think it is to the credit of the society's committee that it gave such thoughtful answers in respect of the issue. I certainly respect its knowledge and experience in the matter and take what it has had to say very seriously in looking at the bill. However, in due course I look forward to the Attorney-General's response or analysis of its criticisms, and I indicate the Democrat's support.

I would just like to mention in general, and I think this is a fair comment, that both the 1995 act and these amendments would be among the enlightened pieces of legislation from the government. There is a separate issue about the resourcing of mental health about which my colleague, Sandra Kanck, has spoken at some stages in the past. I would cite 26 October 1999, 29 July 1999, 11 February 1999 and 9 December 1998. I recognise that that is beyond the scope of this bill, but I feel that it is worthwhile making that observation before reaffirming that the Democrats support the second reading.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

STATUTES AMENDMENT (CONSUMER AFFAIRS—PORTFOLIO) BILL

Adjourned debate on second reading.

(Continued from 13 April. Page 937.)

The Hon. IAN GILFILLAN: Although the bill amends four acts, in our view only three substantive changes are being made. The first is the lengthening of the time limit during which proceedings may be brought for offences. In the case of pyramid selling offences, there is presently a 12 month limit, and the Attorney—General suggests that this has proved to be too short. The bill would standardise within four acts the period within which a prosecution can be commenced. In each case the new limit would be two years or, in fact, five years with the minister's approval. As a matter of principle I consider it unwise to put the Attorney—General into the position of authorising or refusing to authorise a prosecution outside any time limit. This has the potential to turn a decision about the administration of justice into a political decision. Decisions of this nature—whether or not to extend a time limit—should be taken outside of a political context either by the DPP or in the discretion of the court.

The second substantive change is to allow the Department for Environment, Heritage and Aboriginal Affairs (known as DEHAA) to charge a fee for the provision of information to vendors of land. This fee of $129 has been charged for years for a compulsory section 7 statement. Perhaps the government believes that there is some doubt about its statutory power to charge this fee. Dare I say it but perhaps thousands of home buyers have paid a tax that they did not need to pay. I point out that vendors are required to provide potential purchasers with a list of information held by government agencies concerning interests in a property. That is, as I have said, a section 7 statement. According to the Attorney-General, the government's move in this legislation is as follows:

. . . empowers the Governor to fix the fees by regulation for the provision of that information by the department.

In other words, it begs the question that the government has some doubt about whether it has ever had the power to charge this fee; and indeed this amendment might be, somewhat

belatedly, an attempt to close that loophole. It is compulsory to provide the information. The fees are also compulsory, so it appears unarguable that it is a tax, and the tax is recovered by real estate agents from vendors.

We know the sale of real estate is a gold mine for the government. There is stamp duty on property purchase, stamp duty when registering a mortgage, stamp duty on insurance, and so on. This $129 which we are now legitimising could have proven to be a great embarrassment in that it has been collected for some years without any legal authority to do so. I am sure that if the Attorney is able he will set the record straight on that.

The third substantive change is removing rights from the Standards Association of Australia (SA Branch) and the Employers Chamber of Commerce and Industry to nominate members to the Trade Standards Advisory Council. The Attorney says:

> Organisations have had difficulty in providing the three nominations required by the act.

Therefore, under the proposed amendment all representatives of the council are to be chosen directly by the minister. I have written to each of those bodies, and I quote from my letter as follows:

> I would be reluctant to support these changes without receiving confirmation that you are unequivocally supportive of them.

Rather interestingly, none of the three bodies responded.

The Hon. K.T. Griffin interjecting:

The Hon. IAN GILFILLAN: Without having sympathy for the Attorney's troubles, it does not appear as if it is a matter of what we could call ball-tearing importance to those three organisations and, therefore, I have no problem in letting the measure pass the parliament.

As a final observation, there are 12 pages of statute law revision amendments, which are updates of language used in the four acts: strike out 'shall'; substitute 'must'; and for 'penalty $5 000' substitute 'maximum penalty $5 000.' They seem to us to be unexceptional and of relatively minor consequence.

Before I conclude, I again indicate that the Law Society provided me with a one-page response to my request in which it indicated that it could find no serious problem with its current interpretation of the bill. However, rather bemusedly it seems to be a little vague about the effects of the section 7 statement of that fee. Since I have already attacked the government on this matter, it is worth reading into *Hansard* what the Law Society said about that:

> Land and Business (Sale and Conveyancing) Act.
>
> The bill proposes to extend the period in which proceedings can be brought under this act in line with the Fair Trading Act proposal.

Again, this is hardly objectionable. It continues:

> The bill also proposes to include prescribed bodies within section 12 as entities, with councils and statutory authorities, that must provide information on any charge, prescribed encumbrance or prescribed matter that it has the benefit of. However, the section also allows a fee fixed by regulation to be charged for such information. This may enable the government, through its burgeoning and forever reproducing agencies, to seek a fee increase. That would not be a justifiable fee increase unless new information was required to be provided by prescribed bodies.

I cited that, because I cannot say that I fully understand the depth of the Law Society's point, and it may well be that in his response the Attorney-General can address its observations. The Democrats support the second reading.

The Hon. J.F. STEFANI secured the adjournment of the debate.

SPORTS DRUG TESTING BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1045.)

The Hon. J.S.L. DAWKINS: I will speak briefly on this bill. The Australian Sports Drug Agency (ASDA) is recognised as the sole agency responsible for drug testing in Australia. Until the current time, ASDA has been able to test national standard athletes both in and out of competition periods but has not able to test state level athletes out of competition periods. The introduction of this bill will allow ASDA to test state level athletes both in and out of competition periods and without notification.

This process is seen as extremely effective from both a detection and a deterrent perspective. There is agreement among all sport and recreation ministers throughout the nation that the complementary legislation to the commonwealth act will be introduced in each jurisdiction, and I understand that Victoria, New South Wales and the Australian Capital Territory have already passed such legislation.

The Office of Recreation and Sport has consulted widely with stakeholders and with other government departments. Stakeholders, in particular the individual state sporting associations, are extremely keen to see the bill processed as quickly as possible. As a result of the consultation with these various stakeholders, the following testing pool was proposed.

The first category includes individuals or members of a team who represent or have been selected to represent South Australia in a particular sport in senior open events, for example, national sporting competitions at the top level for the particular sport, which are open to all ages. The second includes members of state training squads from which persons will be chosen for senior open events. And the third includes persons who are on a scholarship to the South Australian Sports Institute or who receive assistance (either financial or through the use of the facilities of the institute).

The cost of testing, which ranges between $400 and $500 per test, will be met by the authority that commissions the test. For example, if the state government commissions the test, it will be responsible for the cost; if a state sporting association commissions the test, it will be responsible; and, if ASDA commissions the test, it will be responsible. Before proposing this legislation, it was important that a state government policy that represented the views of the South Australian sporting community be developed.

Here again, there was quite broad consultation and, as a result, a policy on drugs in sport has been developed. Drugs in sport education assists in helping athletes avoid inadvertent doping, reduces the concerns of athletes, coaches and administrators regarding the drugs in sport issue and also deters athletes from using banned substances. In recent years the Office of Recreation and Sport has provided support and assistance to enable the South Australian branch of Sports Medicine Australia to operate the Drugs in Sport project.

The project works to ensure that drugs in sport education is accessible to the South Australian sporting community. This program also offers state sporting organisations support and assistance in understanding policy issues. With the education and policy aspects in place, this bill will effectively achieve the final key strategy of the framework in relation to

state-based drug testing. I have great pleasure in supporting this legislation.

The Hon. T.G. CAMERON: The Hon. John Dawkins has not left me a lot to say, so I will be very brief. As I understand it, the Australian Sports Drug Agency cannot test a competitor unless that competitor falls under the definition of 'competitor' in the commonwealth act, and this bill extends that to other state competitors, and by that I mean a person who represents or has been chosen to represent the state in a senior open national sporting competition; or a person who is a member of a state squad in a senior open national competition; or a South Australian Sports Institute scholarship holder; or a person who has had their name added to a register after being suspended for a breach of this act; or a person who is added to the register if they fail to comply with a request for a sample; or if that sample is returned positive, such competitor has the right to have that decision reviewed, and the bill provides for that.

ASDA has the function of educating the sports community about the consequences of testing positive to drug use and to collect and test samples from state competitors. Any person under 18 can have samples taken only with parental consent. The legislation also sets out what administrative actions ASDA, the relevant sporting organisations and the minister must take when a competitor is added or removed. This bill will provide for state-based athletes to be tested and for drug education programs to be implemented. This is vital to keep South Australia's excellent sporting reputation intact and drug free. SA First supports the bill.

The Hon. M.J. ELLIOTT: I indicate Democrat support for the bill. I have had correspondence from the South Australian Sports Federation which indicates that, on behalf of all the groups it represents (which is most of the peak sporting bodies in South Australia), it supports the legislation. In fact, I have had no correspondence to the contrary. I make one comment in passing in relation to drug testing more generally. It might be true to say that some drug testing relates to drugs that are non-performance enhancing, and one has to be careful about prying into a person's private business as distinct from checking for drug-enhanced performances, which is what this is supposed to be all about. With that comment, I indicate that the Democrats support the bill.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

WATER RESOURCES (WATER ALLOCATIONS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 2 May. Page 995.)

The Hon. M.J. ELLIOTT: The Democrats support the second reading of this bill. I do not intend to spend any time looking at what the bill contains because the Democrats are prepared to support that, but I express concern about what is not currently contained in the legislation and I indicate that I will be moving amendments to it.

I find it a little perverse that the government seems to have understanding under some circumstances but not others. A regulation was recently proclaimed in relation to the clearance of trees on the West Coast, and the reason that the government wants to clear trees in two areas on Eyre Peninsula is that it recognises that trees affect the recharge rate for aquifers, in particular, the fact that the amount of recharge with trees present is far less than if they are not.

The Hon. P. Holloway interjecting:

The Hon. M.J. ELLIOTT: That is right. Trees are deep-rooted so the rainfall that passes the shallow roots of plants such as wheat and other smaller plants very rarely gets past the root zone of trees. That is the reason that the government has adopted for wanting to allow the clearance of some vegetation on the West Coast.

I have spoken with people who have informed me that mallee vegetation allows only 0.2 of a millimetre of rainfall per year to get past the root zone, and it is the removal of the mallee in very large amounts that has caused a rapid increase in recharge which, in turn, has caused the salinisation problems in the Mallee and the Upper South-East. The government is aware of all that, so how can it have got this bill so wrong in one regard? As I understand it, for each hundred in the Lower South-East, the government intends to calculate how much recharge of the aquifer occurs and then allocate 90 per cent of it by way of licences, and that is what this bill is all about: to allow the allocation of water through licences. I do not have any problem with that and I will not even buy into the argument about how those licences should be allocated, how much should go to land-holders and how much should go to people who are trying to set up particular industries. However, having decided what the recharge rate is at present, the government intends to allocate 90 per cent of that recharge. In future, more pines, blue gums and a range of other deep-rooted crops will be planted.

The Hon. J.F. Stefani: They will suck up water like a fountain.

The Hon. M.J. ELLIOTT: They are water pumps. That is something that the government understands on the West Coast and it is something that it understands in terms of salinisation in the Mallee and the Upper South-East, but it is something that it has ignored totally in this bill. After all the licences are allocated, forests will be planted. In fact, we are encouraging it to happen and so we should, because it is an industry that has a lot of upside. I have been encouraging the planting of blue gums and other things in the South-East. However, if those blue gums are planted after the licences are allocated, the recharge rate will drop. The licences then cannot be sustained because the recharge will have dropped.

The Hon. J.F. Stefani: And goodbye wineries.

The Hon. M.J. ELLIOTT: I do not think that investors, having spent $6 000 or $7 000 per hectare in setting up their plantations, will be pleased to be told, 'Sorry, blue gums have been planted elsewhere in the hundred on land that did not have a water licence, so you have less water and your allocation has been cut.' I had a discussion with the minister, and the minister is aware that there is a problem. His response is that the government will fix it up in September. The industry is onto it. Tomorrow a fellow from a company in Western Australia is coming to talk to me about this. He tells me his company plants blue gums, and I suspect that he will ask me not to put up this amendment because it will not help his company. I am not trying to help the blue gum industry: I am trying to make sure that we have rational legislation, and that is not what we will get in respect of this bill. It is not beyond the wit of this parliament to come up with a set of amendments that will address the issue.

I have had amendments drafted and they are being fine-tuned at the moment, but I can explain the essence of them. I recognise that gum trees and pine trees do not have meters

on them so we cannot measure how much they use. However, we can make a proviso that no new forests will be planted without a water licence, and the minister can then talk about how much water licence is necessary per hectare of pines or eucalypts, and even down to particular species. The CSIRO does evapo-transpiration work on trees and it has a pretty good idea how much trees use. Even if the CSIRO cannot get it right, it must be better than not licensing the process at all, which is what the government is planning to do.

It is my intention that a developer should not plant a forest without a water licence, and that licence would have to be granted by the minister. The minister would decree how much water is necessary for a certain amount of planting and the minister would be able to vary that. So, if new information comes in, just as the minister might need to vary licences overall because the sums are wrong (and there is one example of that, which I will get to in a moment), and the evapo-transpiration rate might not be quite right, there may be a need for finetuning.

The Hon. J.F. Stefani interjecting:

The Hon. M.J. ELLIOTT: It is. It depends on whether it is pinus radiata, pinaster and maritima, eucalyptus globulus or whatever: but they can do that. As I recall, the amendments I have had drafted—and I do not have them in front of me—refer to any plant over 1½ metres. Even lucerne, which can get to that height and is very deep rooted, has a significant capacity to pump water. In some areas we should encourage it to be planted to get the watertable down, but in the Lower South-East we would have real problems if we had heaps of it growing. However, I suspect that, without a water licence, growing lucerne is nowhere near as viable as growing it with irrigation, because with irrigation you get several good crops a year. Nevertheless, that might be a problem.

The member for Gordon has raised similar issues in the lower house. I know that he is concerned about other changes to land practice, for instance, clay spreading, which changes the permeability and water holding capacity of the soil. I admit that at this stage even that is a bit hard and I have not tried to tackle the issue, but I do not think it will be a major issue in terms of lots being lost in the next 12 months or so. However, it is an issue we should address quickly, and there may be other matters. The planting of forest is something we know is happening apace right now and it is gathering speed, and the parliament would be derelict in its duty not to address the issue now. I think we can get it right.

Speaking about not getting things right, the minister has just announced that he has halved the allowable water that can be used in two hundreds adjacent to Mount Gambier. Good on him, but it is an admission that they have been getting their sums wrong about Mount Gambier and the Blue Lake for a very long time. For a long time we have not put the effort into the South-East water supply that we should have. Members will know that ever since I have been here I have periodically raised the issues of water quantity and quality in the South-East aquifers.

The government is now admitting that it has got it terribly wrong. However, what the minister has not done is to stop tree planting. Having cut back how much water will be available by way of losses and halved it in two hundreds, he has done nothing to stop people from planting trees and so on. It could all be for nothing if he does not act quickly on this matter.

I invite all members to look very seriously at the issue. As I said, it is something that the government is fully aware of in other places such as the West Coast, the Upper South-East and the Mallee. There is no denying that the problem is real, and to put it off for six months, which seems to be the government's current reaction, I believe is irresponsible. I hope that the parliament will not be irresponsible even if the government is.

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

BUILDING WORK CONTRACTORS (GST) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1036.)

The Hon. IAN GILFILLAN: By popular request and insistence, I am speaking to the bill, primarily to make up for the fact that we were unable to—

The Hon. L.H. Davis: Nice of you to tell us.

The Hon. IAN GILFILLAN: It is at the insistence of your colleague the Attorney-General but, if the honourable member wants to challenge the Attorney on the matter, it is up to him. The Democrats are renowned for facilitating the processes of this place, and—

The Hon. L.H. Davis: I will withdraw my interjection.

The Hon. IAN GILFILLAN: Peace reigns! There is no lengthy contribution to be made on the bill. It is a patch-up bill, as adequately described by the Attorney-General in his second reading explanation, which he inserted without reading. It corrects the false impression that all domestic building work commenced before 2 December 1999 would be completed by 30 June this year. The original legislation did not allow for the amendment that was required for the payment and collection of GST on the contract as it slipped into the part of the year where the GST applies.

I would refer any honourable member who has any doubt about the intent of the bill to the Attorney's second reading explanation: it puts it very clearly. It has the support of all the relevant industry organisations. I think in some respects it is a minor embarrassment that we did not think of the fact that building, especially domestic building, can sometimes be unduly delayed. With that observation, I indicate the Democrats support for the bill.

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

BOXING AND MARTIAL ARTS BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1053.)

The Hon. T.G. ROBERTS: The opposition will support the bill. The shadow minister in another place, Michael Wright, was pleased that the government had introduced these measures to protect the patrons and those who participate in these sports from any risk of personal injury because of the expanding entertainment role that is being developed for commercial reasons. The bill tries to regulate many of the unregulated aspects of the sport (if you can call it that in some cases): in some respects it is an emerging and growing sport that is new to Australia. At this stage aspects of it are advancing and are popular in the community.

It is a welcoming advance to introduce conditions on licences. For instance, promoters are being licensed and duties apportioned to them so that safety aspects of these

sport and martial arts contests can be governed by bodies and monitored by governments so as to eliminate any practices that might unnecessarily or unduly place participants in danger.

Boxing has been around for some considerable time. It is a sport that some people would like to see banned; other people would like to see more regulation in relation to protective headgear, particularly for underaged and advancing apprentices, if you like, of the sport, so as to protect their heads in particular from any damage, and there are others who like to see open warfare in the ring as a form of blood sport entertainment. So, out in the community there is a wide range of views that would be difficult for governments to control in a way that would get total community support, because of those variances in views and opinions within the sport.

So we now have, as I said, these new sports coming into the public eye and we now need some measure of control and regulation to make sure that some of the worst aspects of the public displays that we are now seeing, in some cases being televised and brought into lounge rooms, are at least regulated to a point where they do not offend. It certainly makes young people safe from physical abuse and attaches, I guess, some public legitimacy to the sport by having things such as compulsory medical examinations before and after events and the cancelling of the registration of promoters and individuals who do not conform. So with those few words, the opposition supports the government's initiatives in bringing about an act to regulate professional or public boxing or martial art events; to promote safety in boxing and martial arts; and for other purposes.

The Hon. T.G. CAMERON: The Government Officers Working Group was established in March 1999 and a set of national principles about boxing and boxing competitions were developed. This bill is a result of those meetings. The bill seeks to provide for a licence for promoters to promote a contact martial art or boxing event. It sets out the duties of the promoter, requires national registration of competitors and a compulsory medical examination before and after bouts. The bill also permits the minister to approve rules for the conduct of events and provides for an administrative appeal if necessary. The bill requires all events to be promoted by a licensed promoter and for all competitors to be registered and undergo compulsory medical checks. Whilst I concede that this adds a little more red tape to the industry, this bill will make more sure that such events are held in the interests of the competitors and will provide firm research data on the effects of contact sport. SA First supports the bill.

The Hon. J.F. STEFANI secured the adjournment of the debate.

NATIONAL PARKS AND WILDLIFE (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 3 May. Page 1015.)

The Hon. T.G. ROBERTS: I rise to indicate that the opposition will be supporting most aspects of the bill before us. An amendment was moved in the lower house by the shadow minister in the other place, John Hill, which was accepted by the government, but my instructions are and the opposition's position will be that we will be opposing clause 6 of the bill, which clause inserts a new section making it an offence for a warden to use offensive language, or hinder or obstruct, or use or threaten to use force in relation to any other person. There is a view that abusive language should not be used against wardens by hunters or people using national parks and reserves. I understand the government's position is that this clause is in a number of other bills, but the opposition has taken the position that if a warden or a national parks officer is carrying out his duties in a responsible way then he should not have to put up with abuse from the public.

In a perfect world that would probably be the case but, although we are supporting that variation to the government's position, in many cases the public has had to put up with a lot of wardens who have had attitudes to the public that have been less than delightful, and less than helpful on occasions. So the abuse has not been all one way. It has been reported to me by way of conversation, not by way of official approach, that, when National Parks and Wildlife officers are brought into a circumstance or situation where they have to inspect either a game bag or a household for game, in a lot of cases it is a dangerous and potentially risky business when confronting people who have allegedly broken the law in relation to what the officers suspect.

According to my sources, there are ways in which many officers go about their work that does not bring about confrontation and those who are caught cop the punishment and accept the role and function of the National Parks and Wildlife officers, but they go on to make the point that there are cases where there is undue aggravation, if you like, caused by the attitude of some of the National Parks and Wildlife officers in the way in which they carry out their inspections, the way they carry out their inquisitions, if you like, in relation to some of the inspections that they do. I think we have to recognise that in isolated areas, in regional areas, National Parks and Wildlife officers need community support to enable them to do their job properly, so it makes sense that the training programs that they go through include public relations and how to deal with the public in those sorts of difficult circumstances.

I suspect that some officers have an inbuilt natural way of dealing with the public and others find it very difficult, as in any walk of life. It is very difficult to legislate for good behaviour in many cases, but the opposition believes that, if you include a section in a bill that sets out the way in which action can be taken through the public service employment section of their employment agreements or contracts, that may be the way to deal with those sorts of problems.

National Parks and Wildlife officers face people with various degrees of alcohol affecting their judgment, and in those circumstances it becomes very dangerous for national parks officers to confront people. It would be my advice to them and to the department not to confront aggressive people who are affected by alcohol but to take down car numbers and perhaps call for assistance. I guess protocols have been worked out within the department which it believes work better than do other protocols that have evolved in circumstances where there is general acceptance that the government's bill is the way in which to proceed.

The position we will be developing in committee is to support all of the clauses within the bill and to oppose that section of the bill where it indicates that it is inappropriate for a warden to use abusive language with another person. We will oppose that section of the bill. In another place the shadow minister made clear that he would have liked other

problems associated with the management of National Parks and Wildlife to be dealt with but, as the bill outlines, it is not framed to deal with a lot of the problems that the shadow minister raised but deals with specific problems. We do not have a bill that goes into details of mining in national parks and some of the other problems raised by the shadow minister in another place, but we may see those issues in another bill at another time for us to consider. With those few words I support the second reading.

The Hon. J.F. STEFANI secured the adjournment of the debate.

SUPPLY BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1036.)

The Hon. CARMEL ZOLLO: I take this opportunity to speak briefly about two issues as they relate to the manner in which the state finances are distributed and used by this government. The first relates to the employment level of this state. Regrettably unemployment in South Australia has risen again by half a percentage point to 8.4 per cent, while the rate in the rest of Australia has fallen. We have now had nearly seven years of dry economic rationalism; in particular we have seen the flogging off of our core public assets, the proceeds of which by now would have repaid the State Bank debt probably more than twice over.

However, all the pain that South Australians have been put through is just not translating into long-term sustainable jobs. I know that Terry Plane is not the most popular political journalist on the other side of the chamber, particularly with the Hon. Legh Davis, from whom we often hear somewhat long-winded dorothy dixers and matters of interest. Nonetheless, lately he has not been the favoured journalist amongst many of us on this side, either. I know that all members of the opposition and most other commentators would certainly have agreed with him when they read the following in the *City Messenger* of 17 May:

> There's something seriously wrong here. While the rest of Australia has well and truly recovered from recession and levelled out, we're languishing. An appropriate public response to the situation might be to acknowledge it and commit to improvement and then do something about it. If the economy is doing so well, why is our unemployment rate consistently higher than the national rate?

My colleague the Hon. Terry Roberts asked a question earlier today as to why a recently reported national jobs index survey for May to July by the recruitment firm Morgan and Banks told us that IT employment is tipped to rise sharply in South Australia, with South Australia being on track to become the nation's silicon valley. Then in the same article we go on to read that these findings are considerably more optimistic than the views expressed in the chamber's own survey of employers, which shows reasonably flat employee intentions. The Morgan and Banks poll says that South Australia still lags behind the national level of 28.4 per cent of employers intending to hire.

The Premier recently made a statement in relation to employment for South Australia—'Bring them back home' was the headline slogan. He said that the state's first interstate migration program is specifically aimed at attracting university graduates who have left the state of South Australia and that we want them back. To my mind the real issue is why those people left in the first place. I think it is logical to assume that upwardly mobile people in professions and skills go where the opportunities are. If they leave because of lack of opportunity in the first place, where are all the new jobs and opportunities for them to come back to?

Even though we have a high unemployment rate, I read in the Premier's ministerial statement that we have strong demand for IT specialists, child care workers, accountants, nurses, pharmacists, physiotherapists and secondary school teachers, particularly with maths, physics and chemistry. We have vacancies for fitters and tool makers, motor mechanics and panel beaters, electricians, carpenters, bricklayers, chefs and hairdressers. One has to assume that none of our unemployed have these qualifications and that there is no possibility of retraining them to fill this demand. The Premier also talked about the concerns of parents who have seen their sons and daughters leave the state for career opportunities on the eastern seaboard of Australia. None would disagree with him though that we should not remove the furthering of experience and adventure which some people purposely choose.

In our own extended family it would be fair to say that one couple has chosen to make Melbourne their home for a smart career move, while the other couple's move to Sydney was not by choice and I know they would return if the opportunities were here. I know that in our ethnic communities, in particular, where there is often a stronger sense of family, parents hate to see their children going interstate to find employment.

I am happy to place on record the recognition that the Department of Geography and Environmental Studies deserves. However, I question the logic of going down this path of finding out where our graduates have gone. Rather, should we not be spending the money on making the economic climate in this state attractive enough to keep them here and for others who want to return to do so?

I am also happy to acknowledge this government's commitment to increasing migration to the state, especially in the skilled and professional areas where there may be some shortages. I am pleased that this government has taken the initiative of being pro-active and strongly advocating for skilled migration. The Premier also talked about the positive change in the state's fortune over the past three to four years and, while many of us wish such was true, we also wonder whether our Premier himself has been living in another state. The Premier ended his ministerial statement by saying that what we are doing now is looking at just what initiatives we need to consider to make people seriously think about again calling South Australia home. Perhaps the best thing we could do is to take the advice of political commentators and others in the community and start with acknowledging our problems rather than making out they do not exist. Like all South Australians, I welcome the $650 million magnesium smelter for Port Pirie. It is a much needed boost for our northern region and I hope, as I am sure we all do, to see many more such positive and substantial developments.

The other issue I mention briefly today is the impending sale of PortsCorp. The government made an in principle decision to sell PortsCorp early last year, and that sale is now proceeding. The Labor Party does not agree with the sale and neither do the people of Kangaroo Island, and intense lobbying by residents of Kangaroo Island has seen the withdrawal of those ports from the sale. I was happy to support the motion moved by my colleague the Hon. Paul Holloway calling for the government to ensure that access is not denied for recreational fishing. The Minister for Government Enterprises indicated earlier this year that access would

be available, and I understand that agreements are being negotiated with local governments at this time. It is an issue that the opposition will be keeping an eye on. We do not want to see local councils being pressured into being totally responsible for administrative and insurance purposes in relation to access by recreational fishers.

I am certain that recently we all received correspondence from the South Australian Farmers Federation expressing its concern that our grain ports are not as competitive as they could be. The Deep Sea Port Investigation Committee's findings, which came out prior to the announcement of the decision to sell PortsCorp SA, recommended, for good reason, the upgrade of several grain ports to maintain and increase our competitiveness. The federation is concerned that the proposed sale will generate funds that should be utilised to fund port improvements which, it believes, are crucial to the long-term viability of South Australian grain growers and this state. The federation in its letter states, in part:

> Unless this issue is satisfactorily resolved soon, quite apart from the ongoing problem with poor port capability, the government risks the port sale process being significantly impacted due to uncertainty that will be created in the minds of potential bidders. The grain industry has called for government to fund $35 million of infrastructure upgrade to be undertaken primarily at Port Adelaide, with work also at Port Giles and Wallaroo, to enable full panamax capability for grain ports east of Spencer Gulf. This request was not made lightly. It was the result of seven years work through the Deep Sea Investigation Committee, an industry led committee that included representation from PortsCorp SA, Primary Industries and Resources SA, and Transport SA. We ask that you press the government to resolve the deep sea port funding prior to the divestment through sale/lease of PortsCorp SA. . .

While the Labor Party does not support the sale of PortsCorp, like the South Australian Farmers Federation it is anxious to obtain an assurance that the port infrastructure requirements of this vital industry are provided through the port sale process. I look forward to the minister's response in relation to this matter. I indicate my support for the Supply Bill.

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

[Sitting suspended from 6 to 7.45 p.m.]

NATIONAL TAX REFORM (STATE PROVISIONS) BILL

Adjourned debate on second reading.

(Continued from 13 April. Page 953.)

The Hon. P. HOLLOWAY: The opposition reluctantly supports the bill. In the first instance, I will refer to the specific provisions of the bill; I will then make some more general comments about the philosophy of the goods and services tax which, of course, this bill relates to. This bill seeks to put into state legislation the intergovernmental agreement on the reform of commonwealth-state financial relations, following the passing of similar legislation in the federal parliament when the GST bills (the so-called new tax system bills) were put into place.

This is not template legislation in that sense because the legislation that will be enacted by the states will differ from state to state because there will be slight changes to the respective state taxation systems that will be required as part of this commonwealth-state financial relationship. Of course, if there was any significant deviation by one state from the agreement reached between the commonwealth and the states, that would be in conflict with the agreement and, obviously, that would create difficulties.

The legislation proposes to do several things. First, it relates to section 114 of the Australian Constitution, which prohibits the commonwealth from taxing the property of the state. This provision enables the commonwealth to tax state property and, in particular, local government property. The commonwealth estimates tell us that tax credits available to local government councils should outweigh the cost to them of the GST—we will have to wait and see whether or not that is true. Also, the state Treasurer—in conjunction with the Australian Tax Office—will have the responsibility for overseeing this provision.

Secondly, the bill provides for the abolition of financial institutions duty as from 30 June 2001—however, it will still provide for the collection of outstanding financial institutions duty beyond that date. The state is guaranteed replacement revenue from the commonwealth.

The third measure—mainly affecting subcontractors—relates to payroll tax. Payroll tax will be calculated prior to the calculation of the goods and services tax. The fourth measure relates to petroleum. The state will no longer pay off-road diesel fuel subsidies—this will now be done by the commonwealth. We are assured that no end user will be worse off as a result of this process. In relation to the measure relating to petroleum, there are some questions that I would like the Treasurer to answer when he concludes the second reading debate.

Several weeks ago the federal government announced that it would introduce a petrol rebate scheme for motorists in regional and remote Australia so that the gap in petrol prices between city and country would not widen after the introduction of the goods and services tax. The rebate that is proposed under this scheme of up to 3¢ per litre will be payable to petrol station operators in regional and remote areas, and the Australian Competition and Consumer Commission has been given the task of ensuring that these petrol stations pass on the rebate to their customers.

Of course, in this state we have, and we have had for some years, a state petrol rebate scheme for rural areas. This rebate was originally funded through lower petrol franchise fees for rural customers. Following the High Court's decision on the tobacco franchise fees, the commonwealth has assumed the collection of petrol franchise fees and the state pays a subsidy to wholesalers of petrol in rural zones under the 1998 amendments to the Petroleum Products Regulation Act 1995. Under that scheme there were two zones. In zone two, which includes that part of the state which lies between 50 and 100 kilometres from the GPO, the subsidy is 0.66¢ per litre for leaded petrol and 0.82¢ per litre for unleaded petrol. In zone three, which is that part of the state outside a radius of 100 kilometres from the GPO and York Peninsula, the subsidy is 3.17¢ per litre leaded and 3.3¢ per litre unleaded.

As a result of that High Court decision to which I referred, and subsequently the GST, these arrangements have been put into the melting pot. I ask the Treasurer:

1. Has the commonwealth consulted with the states about the method of payment of the commonwealth's new country petrol rebate scheme?

2. Will the rebate zones proposed under the commonwealth scheme—and as I noted there were two of those—coincide with the state zones?

3. Does the Treasurer believe that significant administrative efficiencies could be made by integrating the two

schemes and, if so, does he intend to approach the commonwealth about this matter?

4. Which of the proposed commonwealth scheme or the existing state scheme does he believe is more likely to ensure that consumers in country areas receive the full benefit of petrol rebates? Of course, in the case of the existing state scheme, the money is collected by the commonwealth but rebated by the states to wholesalers. Under the proposed commonwealth scheme the rebate goes directly to the petrol resellers. The commonwealth scheme would be more efficient, hopefully, in terms of getting that rebate back into the hands of the motorist.

5. What is the estimated subsidy payment to petrol wholesalers in zone 2 and in zone 3 in this financial year, and what is the cost of administering the current state scheme?

6. Will the state continue to provide a subsidy for petrol in rural areas at the existing level once the commonwealth scheme is introduced? If we are to have a petrol rebate scheme, it would make sense if it were integrated.

I hope that the Treasurer will be able to answer those questions when he responds to the second reading debate. I return now to the specific proposals of this bill, the fifth measure of which relates to stamp duties. The stamp duties on listed securities will be abolished from 1 July 2001. Sixthly, the stamp duties in relation to property transfers after the GST is included will be as they are now with the present wholesale sales tax. This will provide a windfall to the state government and has obviously caused some controversy, and I raised a question in this parliament on that matter earlier.

Of course, the windfall for the state is that, if you are applying a particular percentage of stamp duty and the price goes up because the goods and services tax is added to that amount, obviously the amount you will receive under the stamp duty will increase because it will be on a base that is 10 per cent larger after the GST is applied. The original financial agreement reached between the commonwealth and the states was also to provide for the abolition of all business stamp duties. However, following the amendments that the Democrats made in federal parliament to the scheme, those measures were dropped.

The only other state tax that will be abolished is the debits tax, sometimes known as the BAD tax, and that will be from 1 July 2005. We have heard statements from the Premier that the state is expected to receive financial benefit, a net financial gain, from the goods and services tax in the year 2007.

The final provision that was put into this bill, as a result of an amendment by my colleague in another place, shadow Treasurer Kevin Foley, requires the state government to place a notice on all government accounts that include a goods and services tax component. I was pleased to see that amendment carried in the House of Assembly, even though the government had opposed it there.

They are the provisions contained in this bill. I want to make more general comments now about the goods and services tax, because it is clearly a subject that will affect this state's finances for a very long time. Many things have been said about this tax that I think need to be addressed.

The Hon. L.H. Davis: That is what Paul Keating said in 1985.

The Hon. P. HOLLOWAY: In 1985 with option C, yes, Paul Keating did make some proposals then. Of course, they were knocked out. Perhaps the Hon. Legh Davis will tell us who was the then leader—Andrew Peacock or John Howard. They had a view on it at that time.

The Hon. R.R. Roberts interjecting:

The Hon. P. HOLLOWAY: Yes, they did change a bit, but it was one of the two. However, Paul Keating did see the light on this matter eventually.

The Hon. L.H. Davis: He also supported a national electricity market.

The Hon. P. HOLLOWAY: Yes, he did, and I support it, too. It was a very good measure. Unfortunately, it has gone a bit off the rails these days. I hope that during my supply speech I will have a chance to address these matters in detail. I think it is important that we get the national electricity market back on track, and I hope that the Hon. Legh Davis will agree with me on that matter. I am not sure whether he thinks that it is on track at the moment.

Of course, the goods and services tax is inherently a regressive tax and, with the introduction of a tax that is inherently regressive, one of the keys to its acceptability is that adequate compensation should have been provided for it. Unfortunately, low income earners will find after 30 June this year that the compensation is far less than adequate.

One of the main points that the Howard government has used continually in trying to justify the introduction of the goods and services tax is that it was supposed to be a simple tax. I am sure that around this country the 1.8 million tax collectors we will now have, compared with 80 000 for the old wholesale sales tax, would not agree with the claim that this is a simple tax.

Of course, the commonwealth government is at this very moment spending $363 million to promote the introduction of this new tax scheme. I was at a meeting today where the federal shadow Treasurer Simon Crean made the point very well: imagine what could have been done with that $363 million to address the salinity problems that face this country, or 101 other useful issues. Instead, the $363 million that this new tax system will raise is going on government advertising.

What is worse is that that particular government advertising has been shown to be quite inaccurate. It claims that everyone is getting a tax cut, when we know that many tens of thousands of people who are working part time, earning below the tax threshold, will not. These advertisements claim that income tax continually rises. In fact, income tax rates at the top level have been falling. They fell during the 1980s and early 1990s under the federal Labor government.

The other claim that has been made in this government propaganda is that this new tax system will be simple. Of course, it is anything but. By way of illustration I would like to read from section 165.55 of the Goods and Services Tax Act, which relates to declarations, and ask members whether they think that this is the sign of a simple tax. This section of the act provides:

> For the purposes of making a declaration under this Subdivision, the Commissioner may:
>
> (a) treat a particular event that actually happened as not having happened; and
>
> (b) treat a particular event that did not actually happen as having happened and, if appropriate, treat the event as:
>
> (i) having happened at a particular time; and
>
> (ii) having involved particular action by a particular entity; and
>
> (c) treat a particular event that actually happened as:
>
> (i) having happened at a time different from the time it actually happened; or
>
> (ii) having involved particular action by a particular entity (whether or not the event actually involved any action by that entity).

That is an example of one of the many clauses that we have. It is humorous, certainly, but I am not sure that many of the

1.8 million tax collectors we will soon have for the GST are amused with those sorts of responsibilities being imposed upon them.

The Hon. L.H. Davis: Tell us about the countries that do not have the GST, like Botswana.

The Hon. P. HOLLOWAY: One of them is the United States and that economy is doing very well.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: The United States is doing very well. I am sure that, if anyone in the United States tried to suggest that they should introduce a GST, there would be revolution.

The PRESIDENT: Order! The honourable member has made his point.

The Hon. L.H. Davis: You don't want to answer that, do you?

The Hon. P. HOLLOWAY: I think I have. The issue that I want to address is the fiction that, somehow or other, the goods and services tax is a state tax, when it is not. For an authority on this subject, I use none other than John Stone, the former secretary of the commonwealth Treasury and, for a time, a National Party Senator. John Stone, through the *Adelaide Review*, has written a couple of articles about this subject, and I admire him for his perseverance on this matter. I do not always agree with everything that John Stone says but, in this instance, what he says is well worth recording. I would like to read a little part of his article in the last *Adelaide Review*, as follows:

> In truth, as every taxpaying man and woman in our Australian streets knows, in the coming financial year commonwealth taxes are going to rise. (Whether or not the overall taxation burden in Australia falls—that is, whether the promised fall in state tax revenues more than offsets the rise in commonwealth tax, remains to be seen; but that is not, in any event, the point at issue here.)

Referring to Mr Costello's attempt to present himself as Australia's greatest tax-cutting Treasurer, Mr Stone continues:

> According to this falsehood, the GST is not a commonwealth tax at all (yes, seriously!), but a states tax merely levied on their behalf by the commonwealth acting as their 'agent'. As to that. . . 'An agent, whether in common parlance or in legal terms, is one who acts on behalf of, and at the behest of, its principal. In this case, by contrast, the purported principal (the states) has no power to impose the tax; no power to change it; no power, least of all, to sack its commonwealth 'agent'; in fact, no power to do anything at all.'

At the end of his article, Mr Stone makes a very important point, because one of the key issues in commonwealth-state relations—and that is what this bill before us tonight is all about—has been the vertical fiscal imbalance in our federal system. He states:

> When the Prime Minister, Mr John Howard, first announced his intention to adopt a GST, one of the undertakings he gave was that 'reform of commonwealth-state financial relations must be addressed'. Yet the so-called 'vertical fiscal imbalance' to which Mr Howard referred (i.e., the fact that the states' own tax revenues were even then only sufficient to finance 38 per cent of their expenditures) has now been rendered much worse. By pretending that the GST was a state tax, and the commonwealth merely an 'agent' in its collection, Mr Costello sought, implicitly or explicitly, to conceal that fact. If, as I hope may be the case, next week's budget figuring discards that particular piece of dishonesty, that will have assisted in revealing the unhappy pass to which this government, along with most of its post-war predecessors, has reduced the federal compact which underlies the whole constitutional structure of Australia.

The point is that, instead of improving the vertical fiscal imbalance that we have had in this country since the states handed over their income tax powers during the Second World War, the introduction of the GST has made it worse. The states now have far less flexibility in their budgetary situation than they have had at any time since Federation, and the fact that the commonwealth is trying to say that it has cut taxes, that the tax take of the commonwealth is now lower because the GST is a states' tax, is a fiction that will not wash. When someone like John Stone is outraged by it, I imagine that the Australian people will be even more outraged by that wrongful claim by the commonwealth. Another matter that I want to address in relation to the GST—

The Hon. L.H. Davis: What do you think of the wholesale sales tax system?

The Hon. P. HOLLOWAY: One thing I do know about the wholesale sales tax system is that there are 80 000 points of collection. Under the goods and services tax, there will be 1.8 million, and that is the matter that I want to refer to now. A very good article in the *Weekend Australian* of 6 and 7 May makes that point. I will read the beginning of the article, because it is well worth putting on the record. It states:

> It was the letter that should not have been written, let alone sent. Peter Reith's Department of Employment, Workplace Relations and Small Business fired off official warnings last week to the experts it had hired to advise the government on how to make the GST easier to deal with.
>
> The eight members of the small business GST task force were told, incorrectly, that they would need to apply for Australian business numbers by 31 May or face a punitive 48.5 per cent tax. This is the new tax that Peter Costello says will tar those who do not register for ABNs as members of the black economy.
>
> It was if a speeding motorist had just accused his police pursuer of going too fast. The recipients of the letter included an Australian Taxation Office deputy commissioner, Steve Chapman; the tax guru who John Howard recently appointed to help guide him through the GST minefield, Angela Ryan; and University of New South Wales tax professor Neil Warren.
>
> They would have smelled a bureaucratic stuff-up the moment they opened the envelopes. They knew ABNs were not required in this case because the modest payments they received for their work on the government committee did not turn them into business or subcontractors, the true targets of the new ID system.
>
> The department quickly realised its mistake and sent out a please-disregard-the-previous-letter letter at the start of this week.
>
> This is the point at which tax reform threatens to turn into a circus—

What a circus we have had! That article was published earlier this month, and it was not a very good week for the government because not only did it have this absolute mess with Peter Reith's department but it also coincided with a number of other unfortunate happenings for the government. That was the same week that Peter Costello announced another jumble of amendments, despite earlier assurances that the legislation would not be changed, that the Treasurer Peter Costello claimed that he had it right, that he had the goods and services tax legislation correct, but a huge number of amendments had to be moved to the bill.

Also that week, the chair of the ACCC, Alan Fels, admitted that the 10 per cent cap on price rises that was being imposed by the ACCC was a guideline, not a rule of law. Like all guidelines that are not rules of law, we can expect that it will not be adhered to in the letter. Also earlier this month, Michael Carmody, the taxation commissioner, worked out that priests should not be forced to get Australian business numbers. He also assured taxpayers that industrial action by the staff of the Australian tax office would not slow work on issuing the remaining Australian business numbers.

The ABN has become the latest and possibly most potent symbol of the administrative nightmare that is the new tax system. The article that I have been referring to is entitled

'ABN: Another Bureaucratic Nightmare', and that is so apt. It also states:

> A staggering 800 000 businesses have yet to register for the ABN number.

They had only 18 working days at the time to do so. The article states further:

> Senior officials accept that many won't sign up, either because they can't bear the thought of the red tape or have chosen to try their luck in the cash economy.
>
> Sources who did not want to be identified say the tag team of the GST and the ABN won't deliver the bounty from the black economy that the government hopes it will. One insider says the cash-in-hand tradesman will simply choose to stop dealing with businesses that demand an ABN.
>
> He says the ABN will draw a line in the sand across the entire community, forcing those who dabble in tax avoidance to come clean or disappear completely into the black economy. In other words, the grey economy—

The Hon. L.H. Davis: What happened in New Zealand? Are you going to tell us about that?

The Hon. P. HOLLOWAY: Certainly. It continues:

> In other words, the grey economy (containing those who have a foot in each camp) may be crushed by the combined weight of the GST and ABN, but the black economy could get bigger.
>
> Meanwhile, pay-as-you-earn employees will be the lettuce in the sandwich, who make the ABN look bigger than it really is. Many won't be coughing up any more tax than they do now, but they will be creating extra work for an overloaded tax office.

That is one of the most depressing bits of news about the GST. When it was introduced it was said that one of its benefits would be to end the black economy, but as this article points out I think it will increase the incentive for individuals to join the black economy. In fact, there will be a 10 per cent financial benefit for people who decide to avoid the goods and services tax. With the Australian version of the GST that the government has given us and with the changes that have been made to this tax by the Democrats, which has simply added to the complexity of the scheme, the black economy is, if anything, likely to increase.

The bill is the complement to the commonwealth agreement: it is the necessary part which applies the goods and services tax to the state economy. The opposition will look at many matters when our state budget comes out later this week. As I said during Question Time today, we will be looking to see what impact the GST will have upon state finances, in particular the cost of administering the tax and when that will be factored in. What impact will it have on the capital works budget? We know that under the goods and services tax the cost of construction will rise. There are many estimates that it will not be the full 10 per cent, but it may well be 7 per cent, 8 per cent or more.

What will happen to our capital works budget? Will it increase by that amount so that the net income provided to the construction industry will be the same or increased compared to last budget, or will the application of the GST have the effect of reducing the net amount that will go to that area of the budget? They are a couple of the many questions that we will raise after we see the budget on Thursday and the impact of the GST.

The Hon. T.G. Cameron interjecting:

The Hon. P. HOLLOWAY: Indeed. A most interesting question after 30 June will be, 'What do the Australian people, particularly those on lower incomes who have been quite inadequately compensated in this regressive tax, think of the commonwealth government?' That is something we will look at with great interest.

The opposition will not oppose the bill. The commonwealth and the states have entered into this agreement and it is pointless for us to oppose it. Whether or not we like it, we are now part of the system. In the time I have spent this evening I hope that I have been able to express—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: Perhaps the Hon. Legh Davis will tell us later, if he wishes to join the debate, what happened to the government that introduced it in Canada. I know a little bit about what happened over there.

The Hon. L.H. Davis: Do they still have it?

The Hon. P. HOLLOWAY: Well, they certainly do not have the government. What I can tell the Council is that they do not have the government in Canada that introduced the GST. It was reduced to two seats, I think. That is what the people of that country thought about that taxation measure. We really do not have any option as far as this bill is concerned, so reluctantly we will support its passage. However, the opposition is pleased that we were able to pass the amendment in the other house so that the application of the GST by this government to agencies under its control will be revealed and so that the public of this state will be properly informed about the impact of the GST. With those comments, we will not oppose the bill.

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

SOUTH AUSTRALIAN FORESTRY CORPORATION BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1049.)

The Hon. P. HOLLOWAY: This bill provides for the corporatisation of our forests. A number of reports have led to the action that has been taken by the government, and I will refer to some of them in a moment. The government first announced its intention to corporatise our forests in August last year. In that statement the Minister for Government Enterprises pointed out:

> In its commercial undertakings, ForestrySA competes in the Green Triangle region with a number of other growers including Auspine, the Hancock Timber Resource Group, Green Triangle Forest Products and several forestry investment companies. ForestrySA's share of the total plantation area in the region is around 50 per cent.
>
> ForestrySA is also responsible for the delivery of a number of non-commercial activities such as the support and facilitation of forestry industry development, recreational access to forest reserves management of 25 000 hectares of native forests for conservation purposes, farm forestry initiatives and the provision of technical policy support and advice to government, industry and the community.
>
> ForestrySA has assets in the order of $800 million, with operating revenue of around $100 million. It employs approximately 220 full-time equivalent staff.

That is the organisation we are dealing with in this bill, and the government wishes to corporatise this entity. What reasons did the government give at the time for going down this track? The minister made these comments:

> ForestrySA has a commendable track record, however, the increasing commercial risks arising from changing markets require ForestrySA to have greater commercial flexibility, balanced by a more formal monitoring and accountability framework. . .
>
> I emphasise that the new corporatised entity will remain in government ownership. The corporation will maintain its strong relationships with its customers, contractors and other members of

the industry. The non-commercial services provided by ForestrySA will also be maintained.

He then gave some guarantees about the transfer of employees and he pointed out how the corporatisation had been supported by the Economic and Finance Committee, and I will refer to that in a moment. He then went on to make this conclusion, and it is really the only justification that the minister has given as to why we need to corporatise our forests. He said:

> Corporatisation will give ForestrySA greater flexibility in pursuing commercial opportunities and facilitating regional economic development in changing market circumstances, within the strong accountability framework provided by the Public Corporations Act.

So that was the statement made when the minister announced he was going to corporatise it, and they were not, I suggest, particularly strong reasons or strong justification as to why we needed to corporatise it. But for all that, the opposition will not be opposing this bill, for reasons that I will outline in a moment.

It is probably useful at this stage to go through the changes that have been made to ForestrySA over the last decade. Originally, of course, we had the Woods and Forests Department. Forests were a separate department with a separate minister and in that Woods and Forests Department, which we had right up until 1992-93, it not only owned forests throughout the state but it also owned a number of timber mills.

I was a member of the Economic and Finance Committee back in 1992 when we produced a report into the accounting concepts and issues involving the revaluation of growing timber by the Woods and Forests Department. This was just before the old Woods and Forests Department was changed to a new entity, where the timber mills were to be changed into a company called Forwood Products. One of the recommendations of the Economic and Finance Committee, of which I was a member at the time—and it was referring to the timber products operations—was:

> this segment of operations has not produced a positive contribution to overall operations of the department since 1990 and it appears that timber products operations are being subsidised by its other operations.

In other words, by the forests, and so what we had were very profitable forests, the timber growing part of the operations, but the sawmills themselves were not profitable. The committee of which I was a member recommended:

> the department review the operations of its timber products segment with a view to re-establishing commercial viability.

After the change of government we know, of course, what eventually happened. We had a lengthy debate in this parliament about a new forestry bill. My understanding was that the then minister Dale Baker had contemplated privatising the forests, but in the end that was not the way he chose to go, presumably because of the outrage that would have been in the South-East, including in his electorate. But what the government did do was to sell the sawmilling operations of ForestrySA, and those operations were sold to Carter Holt Harvey. What also happened was that, as part of that sale, ForestrySA entered into a number of contracts to supply timber to Carter Holt Harvey, and indeed much of the forests that are now part of ForestrySA, the remaining part of the old Woods and Forests Department, are on long-term contract to Carter Holt Harvey.

Early last year the Economic and Finance Committee completed another report on state owned plantation forests, and there are just a couple of parts of that report that I would like to put on record, because I believe it gives us an insight into what happened during that period of the mid 90s when our forestry assets were restructured. In relation to the return that the state government gets for its forest assets, this is the comment that the Economic and Finance Committee made, and remember this report is dated 17 February 1999:

> ForestrySA reported an operating profit before tax of $9.5 million for 1997-98 ($23.1 million for 1996-97). The principal reason for the decline in the profit was the downward revaluation of the growing timber. . . Excluding the once-off adverse effect of the reduction in value, the operating profit before tax would have been about $41 million, or $38 million after allowing $3 million for self-insurance.
>
> The profit of $38 million represents a return of 4.9 per cent on reported assets. The rate of return is depressed by the fact that future profits are in a sense embedded in the asset value denominator.
>
> In evidence to the committee, Mr Ian Millard, General Manager, ForestrySA indicated that they seek a return of 7 per cent on the investment in new land.

So, that is the performance of the ForestrySA operations. One of the key conclusions the committee made—and it is important that I put two of them on record—is as follows:

> The committee notes that the bulk of logs are locked up in long-term log supply agreements. The prices under these agreements are established administratively on the basis of all the costs incurred in the delivery of the product as opposed to the market determined price of logs sold by tender.

In other words, the long-term contracts entered into when Forwood Products was sold to Carter Holt Harvey provide that logs will be supplied on the basis of costs incurred rather than on a tender price. The other conclusion of the committee I wish to put on the record is as follows:

> The committee believes that the existence of long-term supply agreements could limit the ability of a potential buyer to increase sales revenue. An attempt to sell plantations with supply agreements in place may result in sale proceeds being below the true value of the forests.

So, whereas it is often said that corporatisation is the first step to privatisation, we can see in relation to forests why that is not likely to be the case. The reason is simply that the Olsen government has entered into contracts which in fact limit that possibility. Quite obviously the fact that the Economic and Finance Committee reaches these conclusions implies that the contracts that have been entered into are very poor contracts and that the state has not gained very well out of them.

I hope that when there is a change of government, as I hope there will be in the not too distant future, one of the first things an incoming government would do in relation to forests is look at these contracts and expose the terms of those contracts to the public, because it is quite clear that this state has suffered as a result of those conclusions. The best one can say about them is that they are so bad that they preclude the privatisation of the forests.

In completing my comments in relation to the Economic and Finance Committee report, I put on record the final recommendation as follows:

> The committee recommends that the state government take steps to ensure that the prospective corporatisation of ForestrySA will not have a negative impact on the level of employment and the efficient delivery of non-commercial activities in the South-East region.

One of the amendments I will be moving in this place sets out to achieve just that objective that was recommended by the Economic and Finance Committee, namely, that we would protect working conditions and it would not have a negative effect on the level of employment. One of the amendments seeks to ensure that this government cannot employ new

employees in ForestrySA at lower rates than are paid to existing employees. I will have more to say about that later.

Earlier this year I visited the South-East and was able to speak to the three principle forestry companies in that region, that is, Auspine, Carter Holt Harvey and Weyerhaeuser. The latter two—Carter Holt Harvey and Weyerhaeuser—are American companies and are all big operators in the region. It was a very useful exercise to speak to those companies and hear their plans for the future. There is no doubt that some exciting things could happen for this state in terms of forestry if the right government policies are put into place.

If we are considering the merits of this bill, and why we would want to corporatise ForestrySA, one of the most puzzling aspects of the bill is that it recognises that ForestrySA has a number of community service obligations. They relate to the recreational uses of our forests and also to a number of native forest reserves that are under the control of ForestrySA. Perhaps under that definition one could also include some of the forests that are not in the South-East of the state. The South-East is a very suitable region for growing pinus radiata timber. In fact, one of the key people from the private companies to whom I spoke to in the South-East and who has wide experience in forestry around the world said that the South-East was the best place in the world for growing that sort of timber. It has good rainfall and soil and it is very easy to harvest timber there. The land is not steep like so much of North America, and also timber can be harvested all year around. So, it is a very attractive region to be growing timber.

However, in other parts of the state where forests are grown, those operations are not necessarily as profitable. So, if we were to take this corporatisation proposal at face value, and if we were truly to see an entity such as ForestrySA operating in a corporate environment, would that entity not want to get rid of any forest it had in areas that were not returning the highest rate of return? In other words, would it not get rid of all the forests in the north of the state or the Adelaide Hills which, whilst they might be profitable, will obviously be less profitable for a given area than they would be in the South-East? That raises the question: are those forests community service obligations? And what long-term decisions will this new board which is to be set up under ForestrySA make on those forests? Will it regard them as forests it must keep for recreational and other values, or will it take the commercial view? I really think that begs the question: one wonders whether the Minister for Government Enterprises has really thought out exactly what he wants to achieve in this measure.

One could question the presence of native forest reserves and other areas within the forests. When I had a briefing on this bill some time back it was my understanding that the government had not yet worked out how it was going to pay for these community service obligations, in particular how the funding of these ForestrySA community service obligations to maintain native forest reserves or recreational areas would come about. I hope that when the minister completes his comments on the bill he will address that matter and define, first, exactly what are community service obligations under the department, and whether they include forests in areas where they are likely to be less profitable than in the South-East; and, secondly, how those community service obligations will be paid for and accounted for within this new entity.

Another matter I wish to cover in relation to this bill is council rates. When the bill was before the House of Assembly, an amendment moved by the member for Gordon, Rory McEwen, was carried by the House of Assembly, although it was quite keenly debated there. The opposition supported that amendment, and my colleague Annette Hurley, the shadow minister for government enterprises in another place, made the comment that, if the government had any problems with that amendment, it should put them up. We have not heard anything from the government, I must say.

I would like to place on record a letter which was sent to me as the opposition person responsible for the Bill in this Parliament—I am not sure whether it has been sent to other members. I would like to read the letter in its entirety because it is important that it go on the record. Headed 'SA Forestry Corporation Bill', the letter states:

> The SA Forestry Corporation Bill is now before the Legislative Council, having been amended in the House of Assembly, including the insertion of new clause 16A, 'payment of rates'. The effect of this amendment is that the proposed corporation will be required to pay rates to councils in respect of land managed by the corporation that is used for commercial purposes. Councils must, in turn, apply half of the amounts received from the corporation to maintaining or upgrading roads affected by the corporation's operations.
>
> Local government is fully supportive of this amendment and contends that it is entirely appropriate for public corporations to pay council rates given that they undertake commercial operations. In simple terms they enjoy, and indeed rely on, the use of council maintained infrastructure and facilities and should contribute their fair share towards funding these activities, just like everyone else in the local community. The amendment is considered to be very fair for the proposed corporation in that it will pay rates on commercial forest land only and half of the amount paid to councils must be spent on roads affected by the corporation's operations.
>
> The single largest item of expenditure for rural councils is usually roads, and the impact of the existing entity (ForestrySA) on the road network is significant. This impact will, of course, continue with the activities of the proposed new corporation.
>
> In terms of community equity and national competition policy, and as a matter of principle, it is our view that public corporations should pay council rates, at least for properties used for commercial purposes, otherwise it is unfair on businesses (who may be competitors) as the burden is placed on ratepayers to effectively subsidise the public corporations. Private corporations undertaking commercial forest activities do, of course, already pay council rates.
>
> The payment of council rates by public corporations would provide a stronger and more stable revenue base for local government. In turn, this would present an opportunity to deliver community benefit through the review of broader (existing) financial assistance from the state budget or dedicated programs delivered by councils.
>
> The approach in the bill (as amended) is the preferred one and was strongly supported by councils (particularly those in the South-East) and the LGA in representations made to various members of the House of Assembly.
>
> The suggestion of the state government that there be an arrangement similar to the current convoluted agreement between ForestrySA and the LGA is not the preferred approach. Your support for the bill as previously amended by the inclusion of clause 16A would be very much appreciated. I would be happy to discuss the matter with you should you so wish.

The letter is signed by Mayor Brian Hurn, President of the LGA. I hope that puts on record the views of the Local Government Association on that particular amendment which was moved in a rather heated environment in the House of Assembly.

The final matter that I wish to cover regarding this bill relates to roads. The comments I have just made in relation to the Local Government Association refer to the need, as they see it, for councils to be paid rates by ForestrySA so that they can upkeep the roads within their district. But the issue of roads within the whole South-East area is important, and it is a matter on which councils in the South-East, through the South-East Local Government Association, have been very

active lately. Certainly, members of the District Council of Grant have been to see me—and I am sure they have been to see other members of this parliament—in relation to the problems that councils face in those areas.

There has been a very rapid growth in forests within the South-East; in particular, the number of blue gum plantations has increased very rapidly in recent years. Many of these councils that I visit tell me that they fear that in a few years, when these forests come to harvest (and blue gums grow very quickly; some of the harvesting might be in as short a period as 10 years), there will be no infrastructure to support them. Many of these plantations have been on farm properties that are scattered all over the South-East and there may not be adequate infrastructure to deal with the problems that they will face.

Of course, the council that is most directly affected by forests and roads is the District Council of Grant, which covers the area that surrounds Mount Gambier. In its submission to me that council points out that it has a community of just 8 000 residents. However, with regard to forests in the area, the report states:

> At present (1998) there are some 92 700 hectares of timber producing plantations in the South-East region; most of this area (98.9 per cent) is under pinus radiata, with the remaining area under blue gum production. There are no areas available for harvesting of native hardwood forests. . .
>
> Ownership of most of the South-East region's plantations is with three main groups: Auspine, which owns 15 per cent; CSR Timber Products—

and that has now been taken over by Weyerhaeuser, which trades as Green Triangle Products—

> has 11 per cent; and ForestrySA, which has 71 per cent of the area under plantation.

One can see from those statistics just how significant ForestrySA is. They are the existing statistics. With regard to future production, the report states:

> The planned development of the timber industry in the South-East region is expected to double the area of land under timber plantations by year 2020. Thus by 2020 the total area under plantation will be around 180 000 hectares, of which approximately 110 000 hectares will be under pinus radiata and 70 000 hectares will be under blue gum.

So, one can see that significant growth is expected. Of course, what these councils are worried about when they have a small tax base with a community of only 8 000 is how they will provide the roads when it comes time to harvest all these blue gum forests now being scattered throughout the South-East. One thing the planting of blue gum forests in the South-East has done is raise the value of land. That is one way that many of the rural landholders who have been struggling have been assisted. Later today, I am sure that the dairy deregulation bill will come before the Council. As a consequence of that, it is expected that there could be up to 100 or 200 fewer dairy farmers in this state, many of them from the South-East. At least the growth in the forestry industry has provided an alternative to many property owners in the South-East.

If we are to get the full benefit of it, we need to address the roads issue. I can well understand why local councils in those areas are doing a lot of work and putting proposals to the state government on the development of roads in their areas. I would hope that, during the course of his response to the second reading stage of this debate, the minister will be able to make some comments in relation to what the government is doing as far as working with the councils in the South-East to try to grapple with this problem of adequate road infrastructure for the future, given the increase in timber activity that is expected in the South-East.

I mentioned that the Grant council is particularly affected. Statistics indicate that 72.3 per cent of the entire road investment requirements of the South-East Timber Industry Roads Evaluation Study are within the District Council of Grant. That council has put proposals to the government. I would be interested if the minister could make some comment.

I also point out that the South-East Local Government Association has produced a report, the South-East Timber Industry Roads Evaluation Study—Final Report, which provides detailed information on the roads in respect of the association's needs in the South-East area. All of us who are serious about the future of the timber industry which, after all, provides about 25 per cent of the wealth of the South-East of the state, will have to take this problem seriously.

The South Australian Forestry Corporation Bill is essentially about the corporatisation of ForestrySA. We will not oppose the bill. As I have mentioned, there seems to be some sort of confusion within the government ranks. On the one hand, in the House of Assembly, Mitch Williams, the new Liberal member for MacKillop, made the following comments:

> I put to those councils [in the South-East] that, if they wanted a fully privately run business operation which would concentrate exclusively on shareholder value, as the member for Gordon would have it, they should call on the government to sell the forest. A fully commercial, privately owned operation will do none of those things to which I have been alluding to in my remarks about the public interest of maintaining jobs and economic drivers within the South-East within our state borders. It will do nothing about those things such as maintaining the other public lands and native forests and will have no incentive to promote farm forestry.

I think that sort of dilemma really goes to the heart of the whole problem. Why are we corporatising the forests? One corporatises an entity such as ForestrySA to make it a commercial operation. What we see here is that, on the one hand, Mitch Williams—one of the local members—is saying, 'Yes, let's corporatise it but let's make sure that we look after all these non-corporate activities.'

I thought that one of the reasons why we originally had government departments running these sorts of things was that there were very strong community service obligations. It seems to me that this government wants to have a bit each way. On the one hand, it wants to run it as a commercial operation, but not too much; only a little bit. It wants to be a little bit pregnant. In many ways, I am not sure that this having two bob each way—on the one hand, corporatising an entity but then saying, 'Let's do certain non-commercial things'—is going to work all that effectively. We will just have to wait and see. As far as the opposition is concerned, it will not be opposing the second reading of the bill. However, during the committee stage I will move amendments to protect the conditions of workers within ForestrySA.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

DAIRY INDUSTRY (DEREGULATION OF PRICES) AMENDMENT BILL

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

POLICE (COMPLAINTS AND DISCIPLINARY PROCEEDINGS) (MISCELLANEOUS) AMENDMENT BILL

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

ADJOURNMENT

At 8.54 p.m. the Council adjourned until Wednesday 24 May at 2.15 p.m.